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Plunge of Yen Raises Fears of New Shock for South Korea

**Flood of Cheaper Exports
Could Be Used by Japan
To Revive Economy, Seoul Says**

By Don Kirk
International Herald Tribune

SEOUL — The steady depreciation of the yen raised fears here Tuesday that Japan was intent on salvaging its sinking economy by increasing exports with a cheaper currency, undermining South Korea's major industries in the process.

"The impact of depreciation is enormous for us," said Kim Chang Roh, director of export policy at the Ministry of Commerce, Industry and Energy. He predicted that South Korean exports would fall by \$1.9 billion this year if the won remains at its current level.

"The Japanese government is now seeking to boost the Japanese economy through increasing exports," said Ohn Ki Un, senior research fellow

at the Korean Institute of Industrial Economics and Trade, a government research organization. "A sharp decrease in the Japanese yen will kill Korean industry."

Mr. Ohn's remarks reflected what appeared to be a common view among South Korean officials and executives after the dollar rose Monday above the 140 yen barrier, pushing the yen to a seven-year low. The dollar remained above 140 yen Tuesday, and analysts here predicted it would rise to 150 yen by the end of the summer and 170 yen by late autumn.

Virtually all South Korean industries compete directly against the Japanese in a kind of David-versus-Goliath rivalry in which South Korea, a Japanese colony for 35 years until the end of World War II, has successfully challenged Japan in countries around the world, particularly in North America, Europe and Southeast Asia.

Now South Koreans see the hard-won gains of the past decades of competition with the Japanese evaporating with every move downward of the Japanese yen.

"The export of motor vehicles falls 1.6 percent when the yen depreciates by 1 percent," said Mr. Kim of the Ministry of Commerce. "Japanese car companies are much bigger and compete directly with Korean companies."

Like many other South Koreans, Mr. Kim perceived mysterious forces at work in Japan to undermine South Korean industry. "I can guess that is happening, but I cannot prove it," he said. "I do not have the evidence."

He said, however, that "the depreciation of the Japanese yen is caused by the weakening of the

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World Cup Scores One for French Discretion

**Instead of Boosterism,
Grace and Measure**

By John Vinocur
International Herald Tribune

PARIS — At the edge of the Luxembourg Gardens, where the French Senate's Medici palace and the Theatre de l'Odéon meet the acres of oaks and pink plantings at the end of the Rue de Conde, there is a newspaper kiosk. At about 12:30 Monday afternoon, the woman who runs it was eating an apple. A regular customer, asking for *L'Equipe*, the national sports newspaper, was told it was sold out. Special edition? he asked. Why? she said.

"Because of the World Cup," she said. "Ah, oui," the woman said. In all the sunshine, with her apple, surrounded by so much Art, Beauty and Power, it took a second or two to make the connection with the mundane.

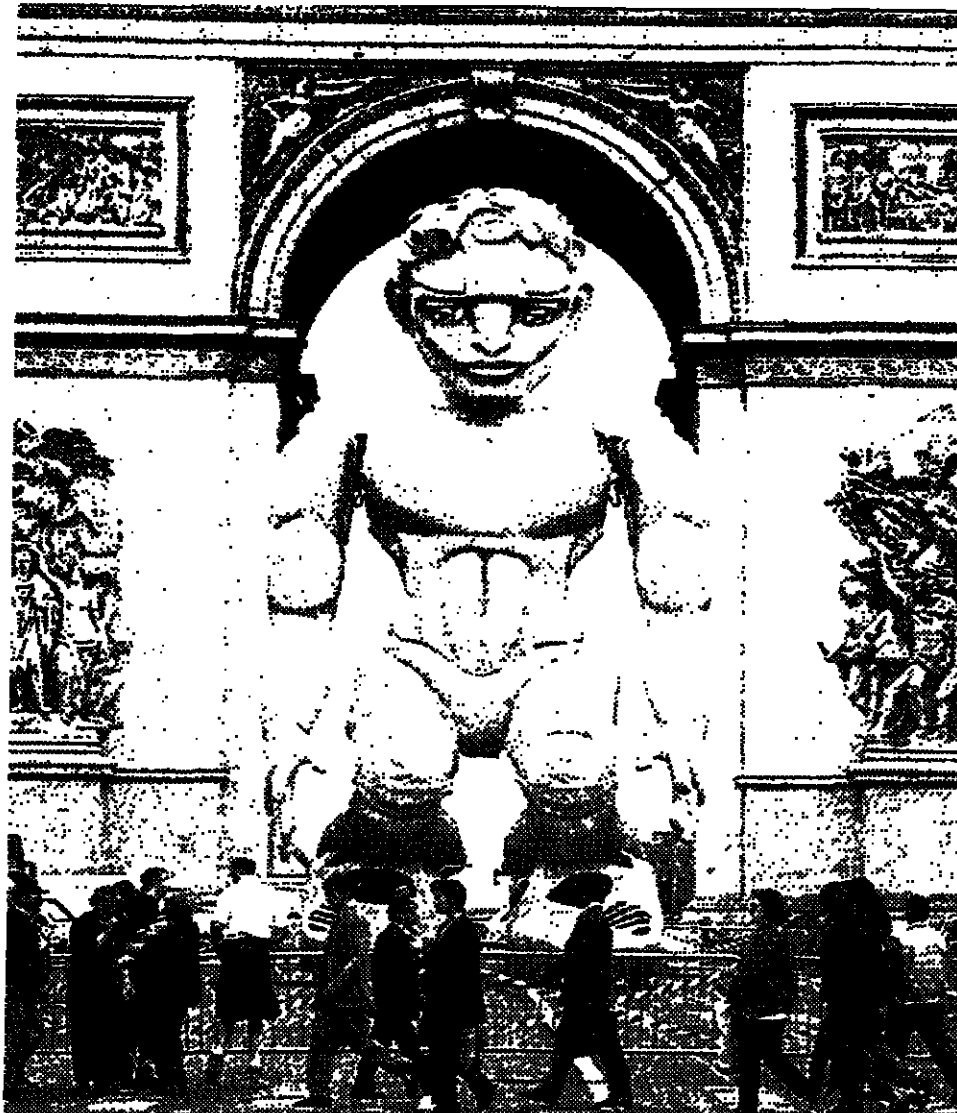
As if an instinctive rejection of boosterism were a failing, some have found room for mild reproach in the nonhysteria that surrounds the coming of the World Cup to France on Wednesday. No flags on the Senate and, across the street, no pick-the-top-goal-scoring pools in the Cafe de Tournon, where James Baldwin once hung out. In a country that invented the word *chauvinism*, the absence of sports tyranny, of having to love it, gives the French version of the great soccer competition a framework of grace and measure that may put off the outsider who craves enforced exuberance.

Michel Platini, the French soccer legend who is president of the organizing committee with its 2.4 billion franc (\$400 million) budget, explained the mentality this way:

"Don't count on me to go into your neighborhood to organize dancing in the streets. Not everybody feels involved. The Ministry of Culture, for example, couldn't give a damn. We've got no relations with them. So, it's true, in many places nothing is planned. In others, a lot of money has been invested."

The fact is, although billions will watch the

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A giant plastic statue waiting at the Arc de Triomphe in Paris on Tuesday to be towed in the parade that opened the World Cup soccer tournament. Play starts Wednesday.

At Paris's Kickoff Fete, Flags, Kilts and Giants

By Anne Swardson
Washington Post Service

PARIS — Four 20-meter-high giants glided down the boulevards of Paris on Tuesday night as the city kicked off a huge street parade in celebration of the World Cup soccer tournament beginning Wednesday.

Flag-waving Brazilians in yellow team shirts and Scots in kilts mingled happily along the Champs-Elysees, sharing beer and taking photos of each other, in preparation for the opening match Wednesday between the two countries at the new 80,000-seat, \$500 million Stade de France in the northern suburbs.

The locals, meanwhile, marked the occasion in typical national style. Air France pilots remained on strike for a ninth day Tuesday. Drivers of armored trucks went on strike, rais-

ing fears that bank branches would run out of cash and close. Bus drivers in Bordeaux and train conductors on southern lines from Paris geared up for strikes this week.

"We hope that because of the World Cup the stakes will be raised," one striking armored van driver said on French television. "It's sad, but that's the way it is."

Of a dozen knots of Brazilian and Scottish fans along the Champs-Elysees, none reported any trouble getting to France.

"We'd swim the Channel to get here," one Scot said.

When France won the World Cup in 1988, the plan was to make the soccer tournament a party, and a party it is. The 32 participating countries are celebrated in special exhibitions in the Metro and on 32 grands boulevards, where, among other events, 32 phone booths

have been refitted to represent the nations playing.

The Louvre has an exhibit of sporting art in ancient Greece, and the Three Tenors will sing under the Eiffel Tower on July 10. Robot soccer players will compete at the science museum. France's latest fashion, the Internet, is on display at computers at all 10 game sites around France.

Paris has been preparing for the parade of the giants, each of the four male figures representing a different corner of the earth, for two years. In the last week, 20,000 barriers were placed along the parade routes, bus shelters were removed from curbsides, and trees were trimmed to make sure they were not brushed by the shoulders of the 38-metric-ton giants.

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Foes of Junta In Nigeria Reject Further Military Rule

**Abacha Aide Succeeds Him;
Dissidents Plan to Go Ahead
With Protests Set for Friday**

By James Rupert
Washington Post Service

ABIDJAN, Ivory Coast — Nigeria's pro-democracy political movement vowed Tuesday to reject a new military leader to succeed General Sani Abacha and pledged to begin protests Friday to force a return to civilian rule.

A day after General Abacha died of a reported heart attack, the military leadership offered little hint of how it might handle the demands that it leave power. General Abdulsalam Abubakar, whom top officers immediately elected to succeed General Abacha, avoided the topic in a brief inauguration speech Monday.

Air Vice Marshal Isaac Alfa said Tuesday in Abuja that the new military government would retain the Oct. 1 date set by General Abacha for a return to civilian rule. But General Abacha's "transition process" to civilian government was

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Abacha's Billions in Bribes and Kickbacks

seen almost universally in Nigeria as a device to keep him in power, and the military has offered no suggestion that it might give up any power.

"This is a tough, first question" for the new leadership, a Western diplomat in Nigeria said. "If they are reaching agreement on how to approach it, they're keeping it hidden."

Before General Abacha's death, the pro-democracy movement had chosen Friday as the date to renew public protests against his effort to retain power.

Friday is the anniversary of the presidential elections in 1993 that appeared to make a businessman, Chief Moshood Abiola, the president-elect of a new civilian government.

The military leadership, surprised by the victory of a man they disliked, scuttled the elections, canceled the promised return to civilian rule and later jailed Chief Abiola for claiming to be Nigeria's legitimate leader.

"The fate of Nigeria does not rest in the hands of the military, and it cannot rest in the hands of any military adventurer who may not have understood that the age of military dictatorship in Nigeria is over," declared a statement by the Civil Liberties Organization, a leading pro-democracy group. The organization called on Nigerians to turn out for street protests Friday to press the military for an immediate handover of power to a "government of national unity" to be headed by Chief Abiola.

"The time to heighten the momentum, rather than relaxing in the belief that divine inter-

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Yeltsin-Kohl Agreement

2 Vow to Cooperate on Economy and Kosovo

By Alan Cowell
New York Times Service

BONN — After a day of talks, President Boris Yeltsin of Russia and Chancellor Helmut Kohl of Germany traded vows of support on Tuesday regarding Russia's economic crisis and the bloodshed in Serbia's Kosovo Province.

While German officials seem increasingly inclined toward charting a military option in Kosovo to deal with Serbian attacks against rebellious ethnic Albanians, Mr. Yeltsin affirmed Russia's opposition to a NATO deployment.

Such action, he said, could "destabilize the situation in the Balkans, with unforeseeable consequences for all of Europe."

Instead, Russian officials said, Mr.

Yeltsin offered to meet personally with the Serbian leader, Slobodan Milosevic, to try to curtail the bloodshed there without resorting to military force.

"The more delicately we proceed, the greater are our chances for a settlement of the conflict," Mr. Yeltsin said. It was not clear when the encounter would take place.

NATO defense ministers are to meet in Brussels on Wednesday to discuss the fighting in Kosovo, which has caused deep concern here about a likelihood of waves of refugees flooding Western Europe.

Germany admitted hundreds of thousands of refugees during and after the Bosnian war and makes no secret of its aversion towards providing shelter for more Balkan fugitives.

Volker Ruehe, the German defense minister, said Tuesday that it was crucial for the NATO ministers to examine military plans to augment economic and political pressures on Mr. Milosevic.

For his part, Chancellor Kohl told a joint news conference with Mr. Yeltsin that Germany — Russia's biggest trade partner and creditor — would offer "decisive support" for Moscow as it seeks to contain a spiraling economic crisis and pursue economic reform.

"These measures contribute signif-



President Yeltsin getting some help Tuesday from Chancellor Kohl to adjust an earphone during a news conference after their discussions.

icantly to increasing the confidence of foreign investors," the German chancellor said.

Both German and Russian officials ruled out any further injection of German money, saying Mr. Kohl's backing for Moscow's reform measure was

enough. "Chancellor Kohl's personal support, as a major international political figure, is important to demonstrate that our policies are correct," Mr. Yeltsin said.

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Canceled Visit Sets Back Koreas' Ties

By Nicholas D. Kristof
New York Times Service

TOKYO — North Korea called off a planned visit by Japanese-born women to Japan on Tuesday, in a sign of steadily worsening relations between the two countries.

North Korea's announcement, along with a series of denunciations of the "Japanese reactionaries" and their "despicable smear campaign" against the Communist government in the North, apparently marked a suspension of a program begun last November to allow 1,800 Japanese-born women living in North Korea to return to their homeland for visits. Most of the women

married ethnic Korean men in Japan and moved with their husbands to North Korea in the 1960s, then disappeared from sight.

More broadly, the announcement seemed to mark at least a temporary setback in the process of building trust between North Korea and its neighbors to coax it out of its isolation.

Japan is crucial to any effort to draw North Korea into the international economy, and the plan to allow the Japanese-born women to visit Japan had been regarded as a major step in building trust between the two countries. But Japanese officials said that they did not know precisely what to make of the announcement.

"This announcement came all of a sudden, and we find it regrettable," said Sadaaki Numata, the chief Foreign Ministry spokesman.

The North's official Korean Central News Agency said that the visits were called off because of "artificial hurdles" and "inhuman acts on the Japanese side."

North Korea did not specify what these were, but the suspension came after Japanese officials again raised the case of at least 10 Japanese who officials in Tokyo say were probably kidnapped by North Korean agents and taken to North Korea over the years. The

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Russian Statistics Chief Charged With Corruption

By David Hoffman
Washington Post Service

MOSCOW — In an unusual corruption case, the chief of Russia's national statistics agency, which provides policymakers with information about the economy, has been accused of fixing data to help companies avoid taxes and of selling confidential information about businesses to their competitors, officials announced Tuesday.

Yuri Yurkov, head of the State Statistics Committee, known as Goskomstat, was taken into custody Monday evening, along with several deputies. The authorities said that they had found more than \$1 million in cash in a search of Mr. Yurkov's apartment and that he was the head of an organized ring distorting records and selling information from the agency.

If the charges are true, it could mean that key data about Russian industries and tax collection have been skewed.

In theory, the distortions could affect a whole range of assumptions about such things as car imports, personal income and the health of key sectors of the economy. But some experts said the precision of Goskomstat's reports was already in doubt.

The case comes at a time of continuing fragility and uncertainty in the Russian financial markets, which have been hit in recent weeks with a wave of investor flight and panic. This week, the markets have been waiting for the outcome of talks in Paris on a possible international financial package to support Russia. Also, a closely watched weekly auction of government securities is set for Wednesday.

There were fresh signs of concern Tuesday as Standard & Poor's Corp. downgraded long-term Russian credit, following similar actions by other credit agencies.

In Washington, Stanley Fischer, first deputy managing director of the International Monetary Fund, said the Fund was in "exploratory" talks with Russia about a new financial package but "at the moment the market has stabilized, and we don't see the need."

Financial markets have been watching for a signal that an international aid package is imminent, given Russia's low reserves and its growing burden of short-term debt.

Even before the detention of its chief, Goskomstat's reports were controver-

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AGENDA

Air France Pilots Refuse to Suspend Strike

PARIS (Reuters) — Striking Air France pilots rejected a plea from one of their smaller unions, SPAC, on Tuesday to suspend their protest and allow the airline to fly for the World Cup, but they said they were prepared to resume talks.

"It is out of the question to end the strike, so the idea of a moratorium is

senseless," said Christian Paris, a spokesman for the main pilots union, SNPL. But after a meeting of about 1,100 pilots, another union official said, "We are ready to negotiate at any time."

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The Dollar			
New York	Tuesday 9:41 P.M.	previous close	
DM	1.78	1.7795	
Yen	140.26	140.67	
FF	5.9685	5.9685	
Pound	1.6365	1.634	
Dollars per pound			
The Dow			
	Tuesday close	percent change	
	19.68	9,049.92	-0.22%
		S&P 500	
	+3.78	1,119.50	+0.34%

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,800 CFA	Qatar	10.00 QR
Egypt	EE 5.50	Reunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Dh
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil.	(\$1.20)

Kickbacks and Bribes for Abacha and Aides / Billions in Revenue Involved

Nigerian Oil Corruption Began at the Top

By James Rupert
Washington Post Service

ABIDJAN, Ivory Coast—In nearly five secretive years in power in Nigeria, General Sani Abacha built a reputation for authoritarianism, sometimes brutal rule. He was less known for overseeing a web of corruption that Nigerians and oil industry sources say plundered billions of dollars from his country.

General Abacha died Monday at age 54. While he ruled Nigeria from a fortified presidential villa in the capital, Abuja, the sources said that he and a circle of aides and business partners tapped virtually every stage of the oil business. It is Nigeria's most important industry and the source of 80 percent of its government revenue.

According to the sources, they took kickbacks from foreign companies for licenses to search for oil in the basin and delta of the Niger River and offshore. They also got bribes from construction companies that won contracts to build drilling rigs and pipelines.

And, in a business that generated a daily river of cash, General Abacha and several associates supervised every sale of Nigerian crude by the state-owned oil company, the sources said, slushing off an unknown percentage of the \$10 billion a year that the country earns on average in oil sales.

In recent years, General Abacha, his allies and top officials added a new form of corruption that is killing the economy: the siphoning of money used by Nigeria's oil refineries to turn crude into gasoline. Finance and Oil Ministry officials argue openly in the national press over who is responsible for diverting more than \$2 billion from the four state-owned refineries in recent years, but the refineries' ruin creates an artificial fuel shortage for the nation of more than 100 million people.

NIGERIA IS thus forced to import refined fuels, such as gasoline, and, traders say, General Abacha and his cronies controlled that trade too, skimming off a percentage. The government subsidizes the sale price of gasoline and other fuels, but Abacha loyalists among the officer corps and civil service divert much of the available supply to sell on the black market or to neighboring countries. The fuel shortage has forced the economy into near-depression, leaving millions of people poorer and sicker.

"In Nigeria, corruption isn't part of government, it's the object of government," said a Nigerian political scientist who asked not to be identified. For 28 of the 38 years since Nigeria gained independence from Britain, the country has been ruled by the military, and Nigerians say corruption has grown steadily. For the last two years, Transparency International, a Berlin-based organization that monitors corruption, has conducted surveys of businessmen that have ranked Nigeria as the world's most corrupt place to do business.

Since the growth of the country's oil industry in the 1970s, military rulers have controlled the trade. But whereas earlier rulers doled out the



General Sani Abacha arriving in Freetown, Sierra Leone, during a March visit. The ruler of Nigeria, who died Monday, is accused of being at the head of a vast web of corruption involving the oil industry in his country.

graft to key supporters, "Abacha has increasingly monopolized the trade himself," said John Bearman, an oil industry analyst based in London. "There is no deal that does not go through the presidential villa."

Under General Abacha, corruption took Nigeria further into economic collapse than ever before. Besides the collapse of the fuel distribution system, the telephone network is decaying and the electricity grid is failing. Almost no part of Lagos gets electricity all day and vast tracts of the city of 8 million never get power at all.

Analysts estimate the unemployment rate to be at least 25 percent. Millions of Nigerians survive on ingenuity and doggedness as street vendors, curbside fix-it men, prostitutes and subsistence farmers.

Nigerians and international economists say that General Abacha appears to have hidden his wealth well. Nigerian journalists who have investigated corruption say he appears to have had particular business interests in the Gulf region, Brazil and Asia.

Much of the oil that Nigeria pumps each day goes to the major international oil companies—Shell, Mobil, Chevron and others—that operate the oil fields. But the largest single share goes to Nigeria's state oil company, which, under the direction of General Abacha's camp, sells its oil to independent traders.

According to official announcements of oil sales and reporting by the London-based oil newsletter Energy Compass, Nigeria's main trading partners in the Abacha era have been Britain-based companies and a Swiss-based one.

General Abacha's predecessor, General Ibrahim Babangida, "doled out the contracts" to a wide circle of supporters, allowing them to take commissions from oil traders, said Patrick Smith, editor of the newsletter Africa Confidential, based in London.

When the Gulf War in 1991 drove oil prices upward, Nigeria earned a windfall that never made it to government coffers. Soon after he took power in 1993, General Abacha named a commission headed by a Nigerian economist, Pius Okiogbo, to investigate. Mr. Okiogbo reported that \$12.2 billion in oil earnings had disappeared between 1990 and 1994, but no one was ever prosecuted.

The former trader, a European, said he participated in three oil purchases in recent years—technically from Nigeria's state oil company but negotiated with Abacha aides at the presidential villa. Each contract specified a "commission" to be paid to a specific beneficiary, he said.

He declined to name the beneficiaries on the contracts he had helped negotiate. He said other traders had noted that sometimes the beneficiary was a well-known Nigerian and at other times "it's a completely unknown person," who traders say was a front for someone else. He said the contracts he dealt with ordered that the commissions be paid to bank accounts in Singapore, Bermuda and Switzerland.

KICKBACKS PAID by traders are so high that they "can't make a profit selling the oil on the spot market," said Mr. Bearman, the analyst in London. Instead, he said, "they make their money by buying huge quantities of crude, using it to manipulate the futures market."

The trade in refined products is even more corrupt, sources said. "The government is deliberately keeping our own refineries shut down and starving our economy for fuel," said a Nigerian oil industry analyst in Lagos who spoke on condition he not be identified.

Nigerian journalists, who often are jailed for reporting on corruption, are careful about what they publish. A trade journal, Nigeria's Oil and

Gas Monthly, noted that the had government announced plans to spend \$600 million to import refined fuels between January and September.

"Less than half of that amount would have been life into two of the four" Nigerian refineries, it said.

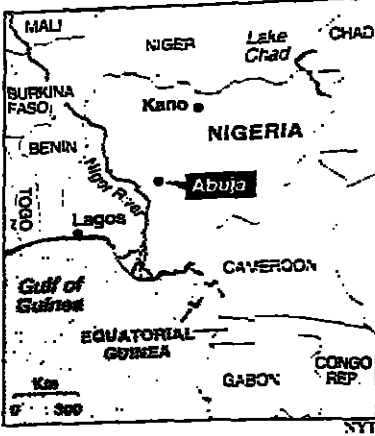
"The fear, as always, is that those who personally benefit" from the refineries' poor state, the journal said, "will do and pay everything to ensure that the status quo remains."

UNLIKE MOBUTU Sese Seko, the Zairian strongman who flaunted palaces and villas he owned throughout Europe and elsewhere before his death last August, General Abacha revealed no foreign assets. But in Abuja, Nigerian journalists and business sources said the Abacha family is known to own numerous businesses and properties.

General Abacha's oldest son, Ibrahim, was the family's main business manager until he was killed in a plane crash in 1996, the sources said. They added that an example of the privileges accorded General Abacha and his business partners is the story of Delta Prospects Ltd., a company that Ibrahim Abacha helped set up. Delta mines barite, a mineral that is a source of barium and an essential material for oil production.

This spring, shortly after Delta announced that its operations had reached full production, the government banned the import of barite, making the Abacha-owned company the monopoly provider for the huge Nigerian oil industry.

Nigerian journalists and business sources in Abuja and the northern city of Kano said the Abacha family keeps palatial private residences in both. The family's home in Kano is concealed behind fences and armed guards and "is truly opulent and spectacular," said a source who visited it a few years ago.



Both Ethiopia And Eritrea Hurl Blame For New Fight

The Associated Press

ASMARA, Eritrea—Eritrean and Ethiopian forces clashed Tuesday along their disputed border, with each side accusing the other of starting the fighting.

Eritrea said Ethiopian forces pummeled Eritrean positions at dawn with tank and artillery fire in a bid to recapture the town of Zala Ambessa, 100 kilometers (60 miles) southeast of the Eritrean capital, Asmara.

Eritrean forces seized the border town of 15,000 last week.

But in the Ethiopian capital of Addis Ababa, officials said Eritrean troops struck first, storming Ethiopian defensive positions south of Zala Ambessa.

"They came to attack in the morning, three times, regrouping and attacking, regrouping and attacking," said a Foreign Ministry spokesman, Yemane Kidanemariam. He said the Eritreans had suffered heavy casualties.

The northeast African nations are engaged in a battle over their border. Ethiopia is resisting attempts by its smaller, northern neighbor to control territory it says is wrongly held by Ethiopia.

With hostilities between the two countries escalating, the U.S. government prepared Tuesday to evacuate 120 more of its citizens, along with Germans, Egyptians and some Ethiopians.

Eritrea called Monday for direct talks in the presence of high-level mediators "to ensure a speedy resolution of the crisis."

A spokesman for President Issaias Afewerki of Eritrea said Ethiopia had effectively declared war on Eritrea and was using the threat of renewed air strikes to discourage trade by air and sea.

Eritrea says its forces are within internationally recognized borders drawn by Italy in the late 19th century. Eritrea, an Italian colony from 1885 to 1941, was annexed in 1962 by Ethiopia, against which it later fought a 30-year war for independence.

In Addis Ababa, Prime Minister Meles Zenawi accused the Eritreans of stalling to consolidate their positions inside Ethiopia.

"If that's the case—and it appears to be the case—then the opportunities for resolving this problem peacefully could be fast disappearing," he said.

Mr. Issaias said pride was an obstacle to resolving the conflict. The Eritrean People's Liberation Front, led by Mr. Issaias, and Mr. Meles's Tigre People's Liberation Front were allies in ending 17 years of military rule in Ethiopia in 1991.

"We might be more concerned about pride, integrity, respect and all that kind of thing—trust, confidence," Mr. Issaias said. "When you lose that, it becomes a big problem for us in this region—it's not always money and resources."

With per-capita annual incomes of less than \$300 a year, Ethiopia and Eritrea are among the world's poorest countries.

In Burkina Faso, African leaders meeting at the Organization of African Unity have deplored the fighting.

Bordeaux Vintner Denies Accusation

Reuters

PARIS—A prestigious Bordeaux wine house denied Tuesday that it added sugar and water to some vintages or mixed wines from different years.

Officials of Chateau Giscours said that a judicial investigation against it was looking into whether wine from the neighboring Haut Medoc region was added to its 1995 Sirene de Giscours.

Sirene de Giscours is normally made only from grapes from the more prestigious commune of Margaux. In a statement, the chateau offered to buy back all bottles sold.

Chateau Giscours was responding to disclosures last week that its wine expert, Regis Froidefond, and a former director, Jean-Michel Fernandez, had been placed under investigation on suspicion of doctoring wines.

Chateau Giscours is one of the more popular wines grown in the commune of Margaux, one of the Bordeaux region's best-known production areas.

TRAVEL UPDATE

U.K. Rail Crews Call

2 Nationwide Strikes

LONDON (Reuters)—British rail-road maintenance workers have called two nationwide strikes, expected to last a total of 11 days, in a dispute over pay and working conditions.

Members of the Rail and Maritime Transport Union who look after track, signaling and power supplies plan to stop work between midnight on June 19 and midnight on June 23, and between early morning on June 29 and just before midnight on July 5.

The strikes against Railtrack PLC could halt train service nationwide.

Greek Mayor Raises

Threat of Roadblock

PIRAEUS, Greece (AP)—As garbage piled up on the streets this port

city the mayor threatened Tuesday to block main roads if the government did not approve the hiring of additional municipal garbage collectors.

The contracts of 437 garbage collectors ran out two weeks ago and have not been renewed. About 190 others are working. The Greek interior minister, Alekos Papadopoulos, blamed Mayor Stelios Logothetis, saying he could have applied last month for funds to hire seasonal workers.

Visitors Will Be Safe,

Indonesia Promises

JAKARTA (AP)—Indonesian leaders asked other countries Tuesday to drop warnings to their citizens against traveling to Indonesia, saying visitors would be safe despite recent unrest.

"There is no reason to restrict tourists from visiting Indonesia now," said Ali Alatas, the Indonesian foreign minister.

"There is nothing to worry about," Mr. Alatas said that Australia had revoked a warning against travel to Indonesia. But the United States and Japan were maintaining warnings.

An employee of Continental Airlines' frequent-flyer program was arrested in Houston and accused of using customer credit card information and frequent-flyer mileage to obtain tickets for resale. Continental said all affected accounts would be reimbursed. (AP)

Iraqis Can Again Dial International Calls

Agence France-Press

BAGHDAD—Iraqis can make direct international telephone calls for the first time since the 1991 Gulf War, the telecommunications department said Tuesday.

The telephone network was badly damaged in the war. Iraqis have since had to go through an operator, and international calls have been limited to three minutes.

Baghdad is negotiating with the French company Alcatel for renovation of the network, which Alcatel installed in the 1980s.

The network has not been fully restored because of a lack of spare parts in Iraq, which is under UN economic sanctions. But \$150 million has been set aside for telecommunications and transportation under an accord with the United Nations that allows limited oil sales.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe	Today	High	Low	Tomorrow	High	Low
Algeria	72/52	72	52	72/52	72	52
Amsterdam	58/48	58	48	58/48	58	48
Antwerp	58/48	58	48	58/48	58	48
Athens	72/52	72	52	72/52	72	52
Berlin	58/48	58	48	58/48	58	48
Bombay	82/62	82	62	82/62	82	62
Buenos Aires	72/52	72	52	72/52	72	52
Calcutta	82/62	82	62	82/62	82	62
Cardiff	58/48	58	48	58/48	58	48
Chennai	82/62	82	62	82/62	82	62
Colombo	82/62	82	62	82/62	82	62
Copenhagen	58/48	58	48	58/48	58	48
Dakar	72/52	72	52	72/52	72	52
Dallas	72/52	72	52	72/52	72	52
Delhi	82/62	82	62	82/62	82	62
Detroit	58/48	58	48	58/48	58	48
Frankfurt	58/48	58	48	58/48	58	48
Hamburg	58/48	58	48	58/48	58	48
Helsinki	58/48	58	48	58/48	58	48
Hong Kong	82/62	82	62	82/62	82	62
Los Angeles	72/52	72	52	72/52	72	52
London	58/48	58	48	58/48	58	48
Madrid	72/52	72	52	72/52	72	52
Mumbai	82/62	82	62	82/62	82	62
Osaka	72/52	72	52	72/52	72	52
Paris	58/48	58	48	58/48	58	48
Perth	72/52	72	52	72/52	72	52
Rangoon	82/62	82	62	82/62	82	62
Rio de Janeiro	72/52	72	52	72/52	72	52
Sao Paulo	72/52	72	52	72/52	72	52
Seoul	72/52	72	52	72/52	72	52
Singapore	82/62	82	62	82/62	82	62
Taipei	72/52	72	52	72/52	72	52
Tokyo	72/52	72	52	72/52	72	52
Washington	58/48	58	48	58/48	58	48
Zurich	58/48	58	48	58/48	58	48



Legend: Heavy Rain, Moderate Rain, Light Rain, Drizzle, Fog, Clouds, Partly Cloudy, Mostly Cloudy, Mostly Sunny, Sunny, Clear.

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North America: Rainy and unusually cool in central Canada Thursday, dry and warmer in the south. The Gulf Coast states will be very warm and mainly dry. Cool Saturday, dry and hot with scattered showers in the West. Unsettled from the southern Plains into the Gulf coast with showers and thunderstorms; there may be some heavy downpours.

Europe: Windy and cool with show-ers in London and Paris from day to Friday. The Gulf Coast states will be very warm and mainly dry. Cool Saturday, dry and hot with scattered showers in the West. Unsettled from the southern Plains into the Gulf coast with showers and thunderstorms; there may be some heavy downpours.

Asia: Soaking rain will continue in central and southern Japan, including Tokyo, to day to Friday. The Gulf Coast states will be very warm and mainly dry. Cool Saturday, dry and hot with scattered showers in the West. Unsettled from the southern Plains into the Gulf coast with showers and thunderstorms; there may be some heavy downpours.

South America: Rain in warm in Brazil, but hot in central China.

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In Summit

Cohen to Fight
The Senate on
Separate
Basic Training

Army Assault

Away From

Honda and Ford

THE AMERICAS

In Summit Run-Up, U.S.-Based Chinese Are Harassed on Home Visits

By Philip Shenon
New York Times Service

TOLEDO, Ohio — Ciping Huang was always known among her neighbors in the Chinese city of Hefei as a dutiful daughter. And in the 13 years since she arrived in the United States, initially to study science at the University of Toledo, she returned home as often as she could.

There had never been a problem with the police during her five earlier trips to China. But during a long-planned vacation home this April, Ms. Huang was allowed almost no time with her parents. Instead, the 36-year-old engineer found herself locked in a police interrogation room for days, with plainclothes officers threatening to jail her — and even hinting that she could face execution — unless she detailed her ties to dissidents in the United States.

"They said I had done things damaging to Chinese national security and had broken the security laws, which can carry the death penalty," Ms. Huang said. "They said they could arrest me."

The police deported her on April 19, allowing her 20 minutes to say a final good-bye to her aged parents. Now, back in Ohio, where she lives with her American husband, Ms. Huang said she is certain why she was threatened by her government.

"It has a lot to do with Clinton," said Ms. Huang, deputy chairman of the Independent Federation of Chinese Students and Scholars, which represents thousands of Chinese living in the United States. "They want to have a good image during Clinton's trip to China. They want to give the world a good impression of China. So they don't want any protests anywhere, in China or America."

Human rights groups and organizations representing students and other Chinese citizens living in the United States say they have received reports of at least a dozen incidents in recent weeks in which Chinese visiting their homeland have been taken into custody, interrogated or threatened by the police.

The harassment, they say, is clearly related to President Bill Clinton's trip to China this month. They say Beijing is trying to send a message to Chinese living in the United States

that they must not organize protests in the United States against Mr. Clinton's visit, the first by a U.S. president since the 1989 crackdown on democracy demonstrators in Tiananmen Square.

Mike Jendrzewski, Washington director of Human Rights Watch Asia, said, "This may be a way of intimidating activists both in the U.S. and in China who might try to speak out about the president's visit — and a way of closing down channels of communications in the democracy movement."

Human rights groups say they have no way of determining the exact number of these incidents in China; most of the victims, they say, are afraid to report what happened to them after their return to the United States, for fear that publicity could bring retaliation against their families.

"I know this has happened to several people, but they don't want to talk about it openly because of their families," said Jinghong Li, a software engineer in Los Angeles. Mr. Li is chairman of the Independent Federation, a Washington-based group that was founded as a result of the 1989 crackdown and organizes public protests in the United States against the

Chinese government. "They can leave China, but their families stay behind."

Interviews with eight Chinese students and scholars who returned to the United States from China over the last several months offers evidence of a pattern: The visiting Chinese are detained, sometimes for days, and questioned intensely about their involvement — real or imagined — in the dissident movement in the United States.

Some of the Chinese do have close ties to the dissident community here, while others do not. All insisted that their recent visits to China were routine trips to see their families and friends and were not intended to goad the Chinese government ahead of Mr. Clinton's trip.

Human rights groups say there was a similar pattern just before President Jiang Zemin's state visit to the United States last October.

Bangzheng Chen, a molecular biologist who has been in the United States since 1985 and works for the Food and Drug Administration at a research center in Arkansas, said that he visited China in March to see his 85-year-old mother and to "visit with some old friends — that was the only purpose of my trip."

But a week after arriving in China, he received a phone call "from some national security agents who said they knew I was back in China," said Mr. Chen, who had last visited his homeland in 1991.

During a seven-hour interrogation, he says, he was questioned about his ties to organizations of Chinese students and scholars in the United States, most importantly the Independent Federation.

"They know a lot about almost every member in the group," he said.

"They knew the names," he added. "They knew more names than I did. They asked me what role these people played in the organizations. All the details. You name it. I told them I wasn't so involved. I said I didn't have a lot to offer them."

But the police were not satisfied with his answers, he said, and so he was picked up again several days later and interrogated for another three hours to four hours.

"It was clear to me that they didn't want anything to happen to interrupt any honeymoon between Jiang Zemin and Clinton," he said.

POLITICAL NOTES

Cohen to Fight The Senate on Separate-Sex Basic Training

By Dana Priest
Washington Post Service

WASHINGTON — Defense Secretary William Cohen and other defense officials will try to dissuade members of Congress from separating women and men in basic training, a provision that has passed the House and will be debated soon in the Senate.

Instead, Mr. Cohen said Monday, he supports the position of the army, the navy and the air force that men and women should go through basic training together, and he ordered the services to ensure the sexes were sufficiently separated in the barracks.

He also endorsed the Marine Corps position that it continue training men and women separately.

Gender-integrated training was scrutinized after the sexual harassment and rape cases at Aberdeen Proving Ground in Maryland, an advanced training center where drill instructors had sexual relationships with trainees. Mr. Cohen appointed former Senator Nancy Kassebaum Baker, Republican of Kansas, to lead a commission to study the issue.

The Kassebaum Baker panel recommended separating male and female troops at the squad and platoon level. The panel also revealed that drill instructors, worried about allegations of sexual harassment between troops, had begun to prohibit men and women from speaking to one another or touching in any way.

The services strenuously objected to Mrs. Kassebaum Baker's recommendations and insisted that they be permitted to "train the way they fight." Mr. Cohen on Monday backed their views.

Richer Republicans

WASHINGTON — The 1998 Republican House-Senate Dinner is a week away, but the Republicans have already reached their fund-raising goal of \$10 million — and are still going. "We're just on cloud nine," said the National Republican Congressional Committee spokesman, Mary Crawford, who noted that the total had surpassed the record for a congressional dinner, set in 1996, by \$2.7 million.

The money was largely raised through a series of "dialing for dollars" sessions featuring members of the House and Senate leadership. The dinner, which is organized by the House majority leader, Richard Armey of Texas, and Senator Larry Craig of Idaho, will take place June 16 at the Washington Convention Center.

According to last week's accounting, Mr. Armey netted \$626,000, while Representative Jennifer Dunn of Washington, the Republican conference vice chairman, collected \$105,000 and Representative Deborah Pryce of Ohio, the conference secretary, amassed \$85,000.

The Republican Policy Committee chairman, Christopher Cox of California, raised \$101,000 and Representative Mark Foley of Florida raised \$237,000. The party's most effective fund-raiser, Speaker Newt Gingrich of Georgia, the House speaker, made calls last week for the first time, so they have yet to show up in the totals. (AP)

Jordan Testifies

WASHINGTON — The presidential confidant Vernon Jordan testified Tuesday before a grand jury for a fifth time in the Monica Lewinsky investigation, saying he helped get a lawyer and a job for the former White House intern but did nothing wrong.

Sounding testy, Mr. Jordan said that he had testified "five times over and over again" about the assistance he gave Ms. Lewinsky, who has filed an affidavit denying a sexual relationship with President Bill Clinton.

Mr. Jordan said he had been assured by Whitehouse prosecutors that "this was my fifth and, barring unforeseen circumstances, final appearance" before the grand jury.

When he was called in early March, Mr. Jordan said, his testimony was the same: "I helped Ms. Lewinsky get a lawyer, I helped her get a job. I had assurances there was no sexual relationship, and I did not tell her to lie. That was the truth then, and that is the truth today."

Mr. Jordan assisted Ms. Lewinsky late last year and early this year when she was under subpoena in the Paula Jones sexual harassment case against Mr. Clinton.

Ms. Lewinsky says in secretly taped conversations in the hands of Whitehouse prosecutors that she did have a sexual relationship with the president and that she was urged to deny it. (AP)

Quote/Unquote

President Bill Clinton at a dinner in New York that raised \$1.1 million for his party's congressional candidates: "We Democrats have an agenda. We're not trying to sit on these good times. We're not asking anyone to vote for us because the status quo is fine." (AP)



NO THANKS — Elizabeth Dole telling CNN's Larry King that she has no plans to seek the Republican presidential nomination, even as a survey showed her and Vice President Al Gore in a virtual dead heat.

U.S. Army Revamps the Structure of Its Combat Divisions

By Bradley Graham
Washington Post Service

WASHINGTON — Four years ago, facing a new landscape of unfamiliar enemies and futuristic weapons, U.S. Army commanders set out to redesign the combat division, the basic U.S. building block of land warfare from World War I through the Gulf War.

The results, announced Tuesday, fall considerably short of the wholesale streamlining of combat structure advocated by some influential strategic thinkers inside and outside the army.

Rejecting calls for bolder change after the end of the Cold War, the army has decided to trim troop

strength in the usual 18,000-soldier divisions by a modest 13 percent, to 15,700 and keep the structure essentially intact.

This was described as the most conservative of several options that senior commanders considered.

The changes, affecting 6 of the current 10 divisions, are the first of what military officials say will be a progressive series of moves over the next decade or two to create more agile land forces better suited to face 21st century adversaries.

The army, like the other military branches, has lost more than a third of its uniformed personnel over the past decade, but it has continued to rely on divisions to bring together the components for

waging war — tank battalions, infantry regiments, aviation brigades, support battalions and so on.

Each division is commanded by a two-star general and usually fights as part of a corps, which contains two to five divisions.

The new divisions will have somewhat fewer armored vehicles and more reconnaissance and artillery than before. Still, like their predecessors, they will consist of three armored or mechanized brigades and include a mix of artillery, helicopters, air defense, communications, intelligence and support elements.

"I think the army has missed an opportunity to transform its force structure and gain some efficiencies," said Frank Finelli, a retired officer

who served as a planner on the Pentagon's Joint Staff and now works as an assistant to Senator Dan Coats, Republican of Indiana who is chairman of the Armed Services subcommittee on ground forces.

Army officials said they considered adopting a much smaller division and ceding more independence to brigades. But they concluded that this would be too vulnerable and unworkable.

Study after study has recommended that the Pentagon slim down, invest in better intelligence-gathering systems and gear itself to combating such less conventional threats as germ warfare agents, assaults against computer systems and also urban operations.

Army Assault on Rebels Mirrors Mexico's Tougher Stance

By Serge F. Kovaleski
Washington Post Service

MEXICO CITY — The killing of 11 leftist rebels over the weekend by an army patrol in one of the bloodiest clashes in Mexico in nearly two years occurred as the government was taking a sharply more aggressive stance against insurgents and their sympathizers.

The six-hour firefight Sunday between Mexican troops and members of the Popular Revolutionary Army in the town of El Charco, near Acapulco, occurred less than a week after security forces raided a town in the southern state of Chiapas. They arrested

167 people in the town who they said were loyal to the Zapatista National Liberation Army, the country's largest guerrilla force.

The raid in the Chiapas town of Nicolas Ruiz was similar to two others since April in the villages of Taniperias and Agua Tinta, both considered to be sympathetic to the Zapatistas.

Critics contend that the stepped-up military actions and the apparent antipathy shown by the administration of President Ernesto Zedillo toward

mediated peace talks with the Zapatistas have for now precluded any possibility of an accord with the rebel group, which is seeking greater Indian rights.

No peace negotiations are under way with the Popular Revolutionary Army, a Marxist group based in the southwestern state of Guerrero that emerged as a force in 1996. The National Mediation Commission, an independent committee that had been involved in the effort to arrange a peace between the government and Zapatistas, said Sunday it was dissolving. It accused the government of promoting discord and weakening efforts toward reconciliation.

The commission's decision followed the resignation of Bishop Samuel Ruiz as its president. The commission said that its members had been left with no choice but to with-

draw from the peace process because of a military buildup in Chiapas, the violent break-up by the authorities of "autonomous" pro-rebel villages and a government campaign to discredit the committee as sympathetic to the rebels.

The government said Monday it would continue to push for peace in Chiapas, and it rejected charges that it was sowing discord.

In announcing his resignation Sunday, Bishop Ruiz said there had been "constant and growing government aggression toward the diocese." He asserted that priests had been jailed on false accusations, that churches had been occupied by the army.

Meanwhile, Odilon Romero, the opposition mayor of the municipality of Ayutla, which includes El Charco, said that members of the Popular Revolutionary Army had asked residents to attend an informational meeting in the town Saturday afternoon. The session lasted into the night, and the rebels decided to stay until morning at a schoolhouse.

But, Mr. Romero said, someone had alerted the army to the guerrillas' whereabouts, and at around 3 A.M. Sunday the troops started their attack. A witness said that four helicopters had showered the school with bullets and explosives while soldiers exchanged fire with the insurgents. No

army casualties were reported.

On Monday, large numbers of families were said to be fleeing El Charco.

"I am trying to convince them that there is no reason to leave their homes or normal activities," Mayor Romero said. "But in reality, they are very scared of the heavy military presence."

Away From Politics

- A piece of metal lying on an interstate highway in Kentucky set off a chain-reaction crash that killed a family of six and another woman. (AP)
- A proposal to recreate Spain's running of the bulls on a Nevada highway has been vetoed by state officials because of traffic and safety concerns. Officials had wanted to stage a scaled-down version of the event in Pamplona, Spain, in the town of Mesquite. (AP)
- A black hitchhiker was dragged to death behind a pickup truck along a rural eastern Texas road, and two of the three whites accused in the killing had racist tattoos, the authorities said. (AP)

Honda and Ford Fined

New York Times Service

WASHINGTON — The announcement that Honda would be forced by federal law to pay millions of dollars in fines for violations of environmental regulations is an embarrassment to the company, which has portrayed itself as an environmental leader.

Honda and Ford were charged Monday with selling cars that were designed to pass emissions tests but ran substantially dirtier on the road.

The Justice Department and the Environmental Protection Agency fined Honda Motor

Co. \$12.6 million for violations of the Clean Air Act. The agency said the automaker would also face costs of about \$250 million for remedial efforts, including extending warranties and providing free tune-ups for the 1.6 million cars that are affected.

Ford Motor Co. will pay a \$2.5 million fine for a pollution-control problem on 60,000 of its 1997 Econoline vans; the officials said, and \$3.8 million in other costs and compensatory measures. Ford began a recall of the vans Monday.

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ASIA/PACIFIC

Jakarta Courts East Timor Rebels

Habibie Offers Special Status, but Militants Say Move Falls Short

JAKARTA — President B. J. Habibie said Tuesday he was ready to grant special status within Indonesia to East Timor in exchange for peace in the territory.

In an interview with the BBC, Mr. Habibie also said he had signed a decree to release 10 Timorese rebels imprisoned by Indonesia, which invaded the former Portuguese colony in 1975. But Mr. Habibie made it clear that Xanana Gusmao, the imprisoned East Timorese guerrilla leader, would not be freed.

East Timorese militants said that Mr. Habibie's gesture was not sufficient to bring an end to the guerrilla war against Indonesian rule.

Nevertheless Mr. Habibie's comments appeared to mark a significant change in policy toward East Timor following the resignation last month of President Suharto, who had steadfastly refused to make any concessions.

It was not clear what form the East Timor's special status might take, although it was certain that there would be no referendum on self-determination, as the separatists have demanded.

Mr. Habibie said that East Timor would remain an integral part of Indonesia and that special status would not lead to political autonomy.

"There is no way you can discuss that

with me," he said of autonomy or independence. "No, we will not let that happen."

A presidential aide, who spoke on condition of anonymity, said that mainly Muslim Indonesia would grant some form of recognition to the territory's culture and Roman Catholic religion.

Other parts of Indonesia with special status include the capital, Jakarta, the province of Aceh in northern Sumatra and the sultanate of Yogyakarta in Central Java.

The East Timor leader Jose Ramos Horta, a co-winner of the 1996 Nobel Peace Prize, rejected Mr. Habibie's offer as ambiguous and arrogant. "I don't think it will satisfy the people of East Timor," Mr. Ramos-Horta told the BBC.

"Our demand, which is very basic, is that the people of East Timor be given the right, the opportunity, to express their views about their own future through a referendum under UN supervision," he said.

He welcomed the order for the release of the 10 prisoners, but added that all should be freed, including Mr. Gusmao, who is serving a 20-year sentence in Cipinang Prison in Jakarta.

Fernando Araujo, an East Timorese activist and former political prisoner

who is in regular contact with Mr. Gusmao, said the withdrawal of Indonesian troops and the release of Mr. Gusmao were essential for a peaceful solution.

Earlier Tuesday, the Indonesian foreign minister Ali Alatas, said that Mr. Suharto's departure from politics had provided an opportunity for Portugal, East Timorese separatists and Indonesia to resolve conflicts over the disputed territory.

State Attacks Policemen's Case

Prosecutors asked an Indonesian military court Tuesday to reject defense assertions that two police officers charged with killing students last month were being used to shield others, Reuters reported from Jakarta.

One of the prosecutors, Colonel Sadi Purwono, asked the court to reject the contention.

"The defense team's statement that they will prove the two accused are only shields sacrificed to cover the wrongdoing of other parties, are, according to our evaluation, highly tendentious and filled with ill intentions besides discrediting other authorities," he said.

The two police lieutenants, Agus Tri Heryanto, 29, and Paryo, 38, are charged with willfully disobeying or exceeding orders under article 103 of the Military Penal Code.



Residents of Dili, in East Timor, paying respects Tuesday at Santa Cruz cemetery, site of a 1991 army massacre of separatist protesters.

After Quake, Some Afghans Profit as Aid Teams Move In

By Molly Moore
Washington Post Service

FEYZABAD, Afghanistan — Ten days ago, Commander Mohammed, the overseer of a little-used airfield in the Hindu Kush, the mountains of north-eastern Afghanistan, was living in a mud hut and had not seen a paycheck from the warlord of his militia faction in months. Today, he is the de facto mayor of an international community of relief workers, journalists and militiamen who have converged on a primitive, corrugated-metal landing strip that is the only gateway to one of the most inaccessible natural disasters in years — an earthquake that killed about 5,000 people and left tens of thousands homeless.

Commander Mohammed, a bushy-bearded man with a perpetually startled look in his deep brown eyes, has rented out his mud hut for \$50 a day. There is no water, running or otherwise, and the bathroom is a patch of weeds behind the rusting Soviet armored personnel carriers that flank the airstrip.

Next door, a group of relief workers has commandeered a dilapidated concrete building that has a faded warning painted on its front: "Trade, cultivation and use of opium is strongly forbidden in Islam." Sprouting along the foundation of every nearby building are bright orange poppy flowers.

A bit farther along, television crews have moved into the airfield's two-story observation tower.

One day recently, when bad weather grounded the helicopters and stalled efforts to ferry food and other goods to victims of the earthquake, Commander Mohammed rallied his band of guards — all clad in turbans, traditional tunics and rubber sandals and all carrying AK-47 rifles — to take advantage of entrepreneurial opportunities.

They scavenged for gasoline from a nearby village. The going rate on resale to journalists: \$45 for a gallon and a half to operate generators needed to power satellite telephones.

It did not take long for enterprising villagers to discover the international cash cow for themselves. Almost overnight, a tiny bazaar appeared outside the gates of the airfield.

But the main activity of the airstrip community centered on the wait for the sound of whirling helicopter blades. The relief base here, coordinated primarily by the United Nations and the International Committee of the Red Cross, has no communication with Dushanbe, Tajikistan, where the helicopters are stored each night by their Tajik crews.

Every morning, aid workers and journalists trained their eyes on the distant mountain peaks, trying to gauge whether gathering clouds here meant bad weather in Dushanbe, more than a hour away by air. In the first nine days of the relief effort following the May 30 quake, helicopters were able to fly relief missions on only three days.

That left Angus Fraser, a towering Scotsman who coordinates food distribution for the World Food Program, one of the most frustrated men on the planet. Even before the bad weather set in, there was no fuel available here for the four meager helicopters contracted to cover 84 quake-shattered villages in treacherous mountain terrain. When fuel finally arrived, weather grounded all the copters. When the weather began cooperating on Sunday, medical teams said they needed all the helicopters to investigate a suspected cholera outbreak on the northern edge of the quake zone.

When the aircraft finally arrived — a shiny white UN helicopter and three aging mustard-yellow machines owned by the Tajik government — chaos broke out among medical teams competing for space on board with food supply agencies, while journalists clamored to be taken along.

Affected villages are so isolated along jagged mountainsides that relief agencies have to pinpoint devastated communities using global positioning satellites out of fear that the helicopters would not be able to find them again on return trips.

Crises Nudge East Asians Into Stronger Military Ties With U.S.

By Michael Richardson
International Herald Tribune

KUALA LUMPUR — East Asia's economic troubles are likely to strengthen the key military alliances that the United States has with countries in the region because they offer stability in turbulent times, officials and analysts say.

Before the financial crisis started to shake the whole of East Asia, China was a strident critic of the alliances on the grounds that they were aimed at encircling and weakening China. But the Chinese government has significantly toned down its opposition. This is not only because Beijing wants to create a better atmosphere for Chinese-American relations before President Bill Clinton's state visit to China, starting June 25.

Analysts and officials who attended a recent conference here on regional security say that Chinese leaders now see considerable value in the stabilizing influence of the bilateral alliances America has with Japan, South Korea, the Philippines, Thailand and Australia, especially the pact between Washington and Tokyo that effectively limits Japanese military power.

Greg Austin, a specialist on Northeast Asia at the Australian National University in Canberra, said, "As much as some Chinese official state-

ments might rail against the concept of alliances, the Chinese government accepts that the U.S. alliance with Japan is a net benefit both to China's security and to regional stability."

Analysts said that, since September, three months after the start of East Asia's financial turmoil, China's official line on the U.S. military presence in Asia has changed from one of opposition to one of approval for the time being, because the last thing Beijing wants is strategic instability at a time of economic uncertainty.

By demanding an end to the U.S. presence, China realized that it was "provoking doubts and fears among its Asian neighbors," Mr. Austin said. "Since the U.S. was unlikely to withdraw, China had nothing to gain — and much to lose — by trumpeting so loudly about getting them out."

Qian Wenrong, deputy chief of the Center for World Studies of China's official Xinhua press agency, said that Beijing favored the development of multilateral security arrangements in Asia, such as the ASEAN Regional Forum on security, but had to take account of the fact that many other countries in the region preferred to rely on military alliances for now.

"Most of the East Asian countries do advocate further development of multilateral security cooperation but, at the same time, they think that the

time has not yet come to replace military alliances," Mr. Qian said. "On the contrary, many countries still believe that military alliance is a reliable security approach."

Nearly all the 100,000 American troops in Asia are based in Japan and South Korea.

Mr. Qian said that many regional countries faced a contradiction. "On the one hand, they are worried that once Japan develops into a military power by relying on the strengthened Japan-U.S. military alliance, it could threaten regional security. But on the other, due to their concern over Japan and the emerging China, they hope that the U.S. continues to keep its military presence in this region so as to seek peace and security under the condition of big power equilibrium."

While security in Western Europe has been managed at a multilateral level since 1949 by institutions such as the North Atlantic Treaty Organization, Northeast Asia's political diversity, mutual suspicions and intractable territorial disputes, such as those between North and South Korea, Taiwan and China, and China and Japan, have prevented the development of region-wide institutions to manage differences and foster cooperation.

In Northeast Asia, the most volatile part of the region, there is no formal security architecture at

all, apart from the U.S.-Japan and U.S.-South Korean alliances.

On his visit to the United States this week, President Kim Dae Jung of South Korea is expected to underline the importance of the alliance with Washington.

Australia and the Philippines have both taken steps recently to strengthen their alliances with the United States, while Thailand used its close security ties with Washington to gain urgently needed financial aid and cancel a major purchase of American jets it could no longer afford.

Kent Calder, special adviser to the American ambassador to Japan, said, "Alliances, particularly the U.S.-Japan alliance, will be the inevitable bedrock of regional security for the foreseeable future."

"Indeed, it is the underlying stability they give that provides traction for other types of relationships now emerging in the region, including multilateral security dialogues and institutions."

Japan depends on imports, mainly from the Middle East, for nearly all its oil and most of its natural gas, both vital industrial and transport fuels. China, South Korea and countries of the Association of South East Asian Nations, also import a growing amount of energy through the same sea lanes from the Gulf.

Q & A / Muchtar Pakpahan

'Suharto Pulls the Strings'

Muchtar Pakpahan, founder of Indonesia's first independent labor union, SBSI, in 1992, was imprisoned by the Suharto government for "subversive activities" in 1996. After Mr. Suharto stepped down on May 21, Mr. Pakpahan was one of the first political prisoners to be released. The 45-year-old activist from Sumatra was invited by the World Confederation of Labor to attend the annual assembly of the International Labor Organization in Geneva this week. He discussed his country's problems and prospects with Robert Kroon for the IHT.

Q. The Indonesian government Tuesday accepted the ILO convention on workers' freedom of association, which puts you in the driver's seat as leader of Indonesia's first free labor movement. Do you think President B.J. Habibie is now seriously committed to social and political reforms?

A. Not really. He has always been Suharto's puppet and Suharto is still pulling the strings behind the scenes. That goes not only for Habibie, but also for his cabinet, which retained several ministers from the corrupt Suharto era. The reform process is much too slow. Habibie wants to hang on until the next century. The MPR, the People's Consultative Assembly, must be convened as soon as possible to install a new and more credible transition government and prepare for early general elections. We have given Habibie until June 15 to make up his mind about this special MPR session. If he keeps stalling, we will organize mass demonstrations of Indonesian workers and students to force Habibie out of office and speed up reforms. Indonesian workers are the main victims of the economic crisis resulting from the corrupt Suharto regime.

Q. In the present climate couldn't mass demonstrations trigger a new wave of violence?

A. I am against violence and the demonstrations will be peaceful if there are no provocations from the military. The attitude of the ABRI, the armed forces, in the reform process remains unclear. The military establishment is split in nationalist and Islamic fundamentalist factions. Armed forces chief General Wiranto claims he wants democratic reform, but he is an ambivalent factor in the military equation. He relieved General Prabowo Subianto, Suharto's son-in-law, from his command of the elite Strategic Reserve, but Prabowo remains a dangerous man.

Q. Isn't there a danger that Indonesia could turn into a fundamentalist state?

A. I see three negative possibilities: A military takeover, total anarchy, or a fundamentalist state. Freedom of religion is one of the underpinnings of the Indonesian republic and it must be respected. The general election should be a free and fair contest between political parties that are constituted according to democratic and not religious principles.

Myself, I am a Christian from North Sumatra and SBSI, our independent labor union, was founded on the basis of religious tolerance. We started with a few hundred workers and now we already have half a million members.

Q. With Habibie still at the helm, what are your more immediate priorities?

A. The people do not trust the present government because it carries the imprint of the former regime. Suharto should be put on trial for enriching himself and his family at the expense of the Indonesian nation. Future support from the IMF to help Indonesia out of its present predicament is urgently needed, but the money should be disbursed in a transparent way for the benefit of the people. The \$4 billion allotted by the IMF to Indonesia since November have disappeared without a trace.

We also need aid from Western governments to alleviate the people's current hardships. Also, there are still some 150 political prisoners in jail and they should be freed immediately. That includes Xanana Gusmao, the leader of the East Timor resistance movement. Gusmao and I were in the same Jakarta prison. The East Timorese should decide on their own political future in a referendum and if they opt for association with Indonesia I told Xanana, he should accept it.

BRIEFLY

Roadblock Stalls Bangladesh Protest

DHAKA, Bangladesh — A huge anti-government protest was stalled Tuesday on the outskirts of the Bangladeshi capital by a roadblock of 100 trucks set up by supporters of the prime minister, Sheikh Hasina Wazed.

Some in the angry crowd of tens of thousands set fire to several of the trucks used to block the road. Sheikh Hasina had said she would let the march go ahead, and it was not clear if she had ordered her supporters to put up the barricade.

Former Prime Minister Khalida Zia was leading the "long march" protest, scheduled over two days, to underscore opposition to a peace accord she says gives away too much to tribal people in the southeast.

Begum Zia has led an opposition campaign since she lost power in elections two years ago. (AP)

Kashmir Campaign

SRINAGAR, India — Thousands of Indian security forces have launched an offensive against Islamic

mercenaries in a mountainous area of Kashmir, the police said Tuesday.

India's Hindu nationalist government last week ordered a crackdown on Muslim mercenaries. India accuses Pakistan of arming Muslim guerrillas in Kashmir, India's only Muslim-majority state. (AFP)

Cyclone in India

BOMBAY — A cyclone spun onto India's western Gujarat state Tuesday, whipping up high winds that toppled walls and a communication tower, killing 21 people.

The storm hit land at Porbander, 450 kilometers (280 miles) northwest of Bombay, and gradually moved north across western India. (AP)

Macau Raids Clubs

MACAU — Policemen in southern China arrested several hundred suspected criminals, including drug traffickers and prostitutes, in raids on nightclubs and other entertainment spots over the weekend.

The raids were part of an anti-crime campaign in Zhuhai, just across the border from the Portuguese-run enclave of Macau. (Reuters)

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EUROPE

World Cup Is On, As Is Labor Unrest

Air France Pilots Not Budging

By Barry James
International Herald Tribune

PARIS — The World Cup soccer tournament officially opened in France on Tuesday night amid a wave of labor unrest as specific groups of workers used the world's biggest sporting event as a lever to get higher pay, bonuses or improved conditions.

The biggest of the labor disputes was the walkout by Air France pilots, which not only threatens the success of the World Cup but also raises questions about the airline's survivability in Europe's deregulated skies. The dispute also illustrates the problems that the management of French state-owned industries faces in goading the companies to greater levels of competitiveness.

With three out of four Air France flights canceled, a British Airways subsidiary, Air Liberté, and other independent carriers have moved in to supplant the state-owned operator on domestic routes. They have chartered larger aircraft to meet the demand.

Rival international airlines, like Lufthansa, have carried many of the soccer supporters who otherwise would have flown with Air France. The airline said it had already lost more than 1 billion francs (\$168 million) during a month that even without the World Cup would have been its busiest period of the year.

Worse, the airline says the planes it has managed to keep operating are flying with up to a third of their seats unsold, an indication that passengers have lost confidence in the company.

This is disturbing news for Air France's management, which maintains that the airline is no longer competitive with aggressive rivals that have younger fleets and lower air crew salaries.

The Socialist-led government plans to put 20 percent of the airline up for sale this year. But even the pilots do not want the shares. The crux

of their dispute is a refusal to accept stock in lieu of up to 15 percent of their salaries.

In the past, Air France has depended on huge subsidies from the state, but further aid is excluded by European Union rules. The airline therefore wants to cut salaries and other costs to help raise the 40 billion francs it needs to buy up to 70 new planes.

The SNPL pilots' union says its members have already made enough sacrifices. They have reduced cockpit crews from three to two and say they have suffered a wage freeze since 1990.

The Air France pilots are among the most unpopular strikers in France, mostly because they have succeeded in casting a cloud over the national soccer fête. They have been criticized as corporatist and elitist by other groups of workers at Air France and even by some union leaders. Moreover, there were signs Tuesday of a split among the various unions representing the pilots, who planned to meet to discuss strategy.

The management, meanwhile, is planning a special board meeting this week at which it may issue a take-it-or-leave-it pay scale. What might happen then is anybody's guess.

As a cast of thousands and a million spectators prepared for the World Cup opening spectacle Tuesday, groups of workers around the country were still striking or threatening to do so. Labor unrest has been bubbling for months: the soccer tournament presented an opportunity for workers to parade their claims and grievances.

Public transport was disrupted in Lyon on Tuesday. Bus workers in Bordeaux said they would strike on Thursday, the day that Italy plays Chile in the city. A union representing a minority of train engineers called for a nationwide strike on Wednesday. Another group of rail workers called for a continuation of walkouts in the Marseille region.



ROLLER COPS — A new French police unit testing out in-line skates Tuesday in Paris. The squad, currently eight strong but due to be increased to 30, was to make its first appearance Tuesday during the World Cup parade. It will also help out during periodic demonstrations in which as many as 5,000 skaters roll through Paris.

For Kosovo Rebels, Fading Hopes

With Poor Strategy, Guerrillas Lose Ground to Serbian Forces

By Chris Hedges
New York Times Service

IN THE SHKELZEN MOUNTAINS, Serbia — Many of the 200 bone-weary guerrillas had the blank, distant gaze of people who don't quite know where they are or what they are doing. Some panted and sweated in exhaustion and appeared unaccustomed to heavy physical exertion.

The rebels, members of the Kosovo Liberation Army, who are fighting to set up a separate state in the Serbian province of Kosovo, also appear to have embraced a disastrous military strategy, holding ground against superior Serbian forces for days before

retreating with heavy losses.

"It is not until the KLA begins to break into small units and develops the hit-and-run strategy of a real guerrilla force that they can have any success," said a Western military observer. "They should be operating in small units, hitting soft targets, constantly moving and retreating or hiding from superior Serbian forces. Instead, they seem to think they can operate as a conventional army. They will be slaughtered if they keep this up."

Small rebel bands coming out of the province confirmed that bleak assessment. They said that the territory they held at the start of the offensive had been reduced and that the wounded and the displaced were trying to protect had become a drain on the rebel organization.

The Serbian campaign is apparently designed to empty the border villages and towns of ethnic Albanians, who make up 90 percent of the 2 million people in Kosovo. The creation of a free-fire zone along the border is intended to deny the rebels support and, as well as to give Serbian soldiers a license to attack anything that moves.

Tons of weapons and hundreds of rebels have crossed into Kosovo from Albania since the fighting intensified in March, according to Western diplomats, setting off another Balkan war.

The column of ethnic Albanian rebels, which formed in Albania and traveled into Kosovo under the cover of darkness, did not permit photos. The rebels also refused to say where they were headed in Kosovo, but conceded that they were going to reinforce other units holding villages surrounded by the Serbs.

Before they were ordered

to move forward, the guerrillas, in green camouflage uniforms and each shouldering two AK-47 assault rifles, rested in a lush, alpine valley waiting for the sun to sink.

Thin lines of cigarette smoke drifted upward from the small knots of men and periodic messages crackled on the small walkie-talkie of the commander, who is in his 30s. He was equipped with a light machine gun and a new 9-millimeter Beretta pistol in a glossy black leather holster.

"Move, move!" he told his troops. "It is time to go."

The rebels formed themselves into a long, straggly file, shifted their army rucksacks and dropped their cigarettes into the carpet of grass. The train of fighters and pack horses, which soon stretched hundreds of meters, moved across the jagged gray rocks along the ridge. Many of the cliffs plunged to scrub-covered valleys below.

"There are fewer and fewer towns holding out now," said a 23-year-old guerrilla, who like many was outfitted in a surplus German army uniform and had a red patch, with "UCK," the initials of the Albanian words for the Kosovo Liberation Army on his cap.

"The Serbs surround the villages, shell the houses and cut off the food supplies," he said. "I walked in from Smolice today. There is still resistance, but the shelling is terrible. There are many wounded and dead. We are trying to get the women and children out, but even this is not always possible."

Smolice, a few kilometers east of Ponorovac, is one of the traditional strongholds of the rebels. It was an ambush there on a Yugoslav Army convoy on March 22 that Belgrade cited as its reason for beginning the huge counter-

insurgency campaign along the border with Albania.

As the rebels moved forward, the crash of heavy Serbian artillery boomed out, sending echoes through the narrow canyons. Two Serbian jets roared just over the ridge line, plummeting in fury toward the valleys where the combat is taking place.

Distraught and stunned refugees, many of whom had been moving toward Albania through the mountains for two or three days, sat exhausted along the mountain path. About 20,000 people have been driven from their homes by the Serbs, and that number, according to aid workers, is expected to double within the coming days.

The village of Decani "no longer exists," said Jusuf Vishaj, 71, as he sat with about 60 fleeing villagers on a slope. "It is just a name now. The Serb soldiers shelled it, came in and looted our homes and then burned the town to the ground. We fled to other, smaller villages, but the soldiers are just repeating the tactic all along the border."

The influx of new fighters, many ethnic Albanians from Germany and Switzerland, can at best retard the scorched-earth policy of the tens of thousands of Serb troops and special policemen deployed in Kosovo.

The guerrilla force, despite the hundreds of volunteers and impressive arms supplies, remains poorly organized, led by commanders with little experience. Recruits receive desultory training that rarely goes beyond showing them how to clean, assemble and fire AK-47 assault rifles.

"The Serbs are moving closer to the Albanian border by the day," said a fighter, who like all the guerrillas refused to give his name.

Cardinal Casaroli Is Dead at 83

By Alessandra Stanley
New York Times Service

ROME — Cardinal Agostino Casaroli, the former senior Vatican diplomat who was second-in-command to Pope John Paul II during the most active and turbulent times of his papacy, died Tuesday in Rome of an infection after minor surgery, according to the Italian news agency ANSA. He was 83 years old.

The highpoint of Cardinal Casaroli's diplomatic career came a year before his retirement, when, after years of quiet negotiation, he helped arrange the historic 1989 meeting between Mikhail Gorbachev, the Soviet leader, and Pope John Paul II at the Vatican.

In the 1960s and 1970s, he

was the principal architect of the Vatican's policy of cautious rapprochement with Communist governments. This began under Pope John XXIII and sought to improve conditions for Catholic clergy in Communist countries.

After one of his visits to Poland in 1967, the Polish government agreed to allow the elevation of Karol Wojtyla, archbishop of Cracow, to cardinal, on his way to becoming Pope.

Seven months after the Pope was elected, he appointed Cardinal Casaroli as secretary of state, a position roughly equivalent to a prime minister.

The Cardinal was on his way to New York in 1981 to receive an honorary doctorate from St. John's University when the Pope was shot and

wounded by an assailant in Rome. Two hours after his plane landed at New York, Cardinal Casaroli boarded a return flight to Rome, telling reporters: "My duty is to be with the Holy Father."

He ran the Vatican — and held it together — while the Pope recuperated from his wounds.

Cardinal Casaroli, who spoke Spanish, French, English, German and Portuguese, had also studied Polish, Russian and Chinese. He was known for tact and diplomacy in all the languages he spoke.

Harold Segal, 77,
World War II Ace

NEW YORK (NYT) — Harold Segal, a Marine fighter pilot who shot down 12 Japanese planes in World War II — three of them in a single duel, died Wednesday in Scottsdale, Arizona. He was 77 years old.

In March 1944, more than 500 gathered at the Hotel Pennsylvania in New York to honor the ace, a former art student from New York, on his triumphant return home.

Jeanette Nolan, 86, who had a 70-year career in radio, stage, television and film, died Friday in Los Angeles of a stroke.

Germany Declined Train-Wheel Sensor

System Might Have Averted Crash

Agence France-Press

BONN — Germany's state rail corporation refused three years ago to test a safety system for checking the condition of a train's wheels — a system that might have prevented last week's disaster, the Bild daily said Tuesday.

Citing a German technician, Bild reported that if Deutsche Bahn had installed the system on its flagship Inter City Express trains, it could have stopped the train before it derailed Wednesday, causing the deaths of 98 people.

The breakup of the metal "tire" on the wheel of one of the coaches immediately behind the leading locomotive is believed to have been the cause of the 200-kilometer-per-hour (125-mile-per-hour) crash. The derailed train hit the support pillar of a highway overpass, bringing hundreds of tons of concrete down onto the passenger cars.

The technician, Gottfried Birkel, told Bild that he had suggested the system to state railway officials in 1995 and that they had acknowledged that the control mechanism "would detect if there was any deformation of the wheel during travel."

Meanwhile, a Deutsche Bahn spokesman announced that trains would be running again late Tuesday at Eschede, in northern Germany, where the accident occurred.

Repairs to the tracks in the region were expected to be completed by the end of the day, the spokesman said.

Doctors have identified 79 of the 98 people killed, who included nine children. Another 85 people remained hospitalized.

The crash of Inter-City-Express 884 was so gruesome that most of the bodies were mutilated beyond immediate recognition. It was Germany's worst train accident in more than 50 years, and spurred reassessments of railroad safety standards around the world.

BRIEFLY

Right to Rebuff Prodi on NATO

ROME — Silvio Berlusconi's main ally in the center-right opposition confirmed Tuesday that the alliance will not support Prime Minister Romano Prodi's government in a vote later this month on NATO.

Without the support of the Freedom Alliance, Mr. Prodi's center-left coalition risks losing the vote and thus having to face a vote of confidence.

While Mr. Berlusconi and his allies support NATO's eastward expansion, they have announced their refusal to come to the rescue of the government again in the face of the governing coalition's difficulties with its Communist allies, Fausto Bertinotti's Refounded Communist Party, which says it will vote against NATO expansion.

Boosted by a strong showing for the center-right in scattered local elections last weekend, Mr. Berlusconi said Monday that he wanted to "send Prodi and his government home."

"We don't want to bail Prodi out in any way," Gianfranco Fini, leader of the right-wing National Alliance, a key in Mr. Berlusconi's coalition, said. (AP)

National Front Office Bombed

MARSEILLE — A bomb exploded in an office of the far-right National Front in Marseille on Tuesday, slightly wounding two activists.

No one immediately took responsibility for the attack, but investigators said they believed it could be linked to the trial of three National Front supporters over the 1995 killing in Marseille of a teenage immigrant from the Comoros Islands.

The three men, aged 39 to 65, were to go on trial later in the day over the shooting of Ibrahim Ali. (Reuters)

Boost for British Beef Exports

BRUSSELS — The EU Commission is about to give the green light to lift completely the two-year ban on British beef exports, sources said Tuesday, three days ahead of a special meeting of the EU's veterinary committee.

The recommendation will be made Wednesday, the sources said, but they could not say when the ban — ordered in March 1996 to prevent exports of cattle that might be suffering from "mad cow" disease — will be lifted.

The committee, which groups senior veterinarians from the 15 European Union member states, is due to meet on Friday and could approve the recommendation by a vote.

If the recommendation fails to pass the committee, it will go to EU agriculture ministers.

A worldwide ban on British beef exports was declared after Britain announced the discovery of a link between bovine spongiform encephalopathy in cattle and a new strain of Creutzfeldt-Jakob disease, a fatal brain-wasting condition in humans with no known cure. (AFP)

Belarus Signals Possible Retreat

On Displacing Foreign Envoys

Reuters

MINSK, Belarus — Belarus said Tuesday that it might cancel an order to force diplomats to leave their residences here, a demand that has threatened to bring further diplomatic isolation to the former Soviet republic.

A spokesman for the Belarusian Foreign Ministry said: "The United States, Russia, Lithuania and France have all protested. At the moment we don't have full information, but all diplomatic channels are working very actively."

The spokesman's comment was the first sign that Belarus might back down on the order to diplomats from 22 countries to leave the residences at Drozdny, on the outskirts of Minsk, the capital.

The Belarusian government, which had wanted the diplomats out by Wednesday, says the residences need repairs.

Western diplomats say there is no need for them to move and that the action violates the Vienna convention on the treatment of diplomats.

Western diplomats said Tuesday it was very likely that the government would rescind the order. "We believe that by tomorrow this conflict will be over," said one diplomat, who declined to be identified.

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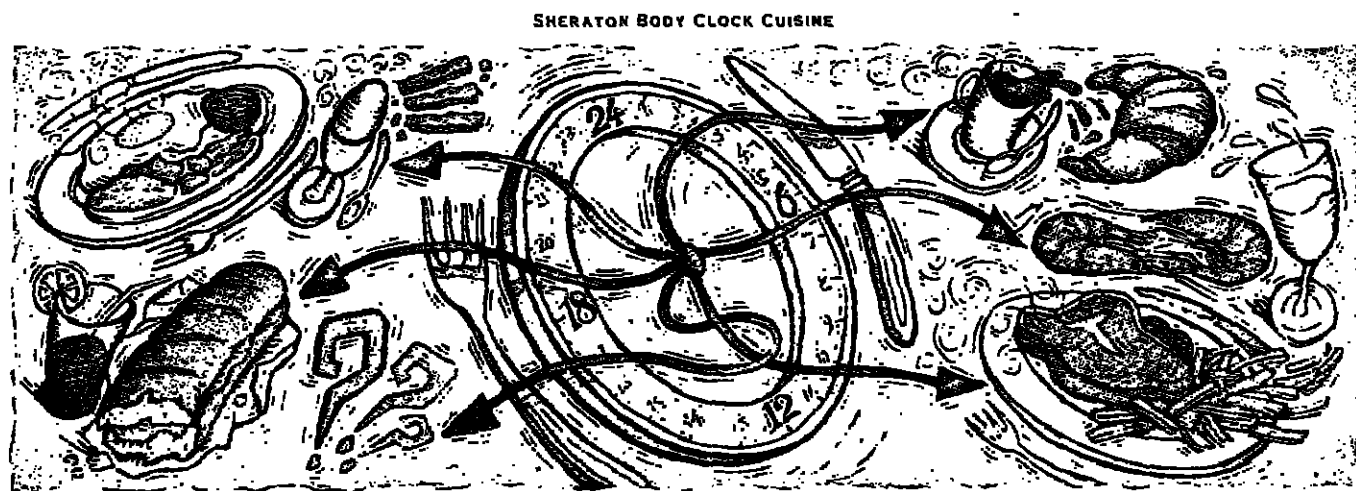
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INTERNATIONAL

Of Italy's 2 Pompeiis, the Extinct City Seems the Only One With a Future

By Alessandra Stanley
New York Times Service

POMPEII, Italy — There are two Pompeiis near the Bay of Naples and it is not always clear which is the dead city.

One, crawling with tourists, guides, laborers and archaeologists, hums with activity. The other, where the unemployment rate is 30 percent, has crumbling buildings, faded honky-tonk signs and stray dogs sleeping in the sun.

With the approach of the millennium and its attendant religious celebrations comes the prospect of 8 million visitors — about evenly divided between pilgrims to a shrine in the modern town and tourists interested in the ruins.

Both Pompeiis are expecting huge infusions of money for badly needed construction and repair. That manna from state and private sources could help bridge the longstanding divide between

the two towns. But so far, it has mainly inflamed old rifts.

Together, the two epitomize the paradoxes of Italian life. The country is increasingly counting on tourism to fuel its economy and the Roman ruins of Pompeii — a frozen glimpse of the country's long-buried imperial past — are actually an engine of its future.

Meanwhile, the modern town of Pompeii suffers with organized crime, poverty and unemployment — all the endemic contemporary problems that have held southern Italy back and hampered the growth of tourism.

There is a kind of class warfare between the two.

The prestigious, unique ruins of Pompeii loom above the surrounding modern sprawl. Beyond its Roman walls, the town of Pompeii, poor, crime-prone, ugly and studiously avoided by tour

groups, simmers resentfully. The modern town (population 27,000) has been promised the equivalent of \$31 million in state financing to get itself into shape for 2000.

Mayor Sandro Staiano, 43, says that sum is not even close to enough. He is

wiped out in A.D. 79 by the eruption at Vesuvius, are Italy's most popular tourist attraction, visited by 2 million people a year. Only the Vatican, which is technically an independent state, gets more. Four million visitors are expected in 2000.

Modern Pompeii suffers with all the problems that have held southern Italy back and hampered the growth of tourism.

seeking \$60 million more from private investors and views the millennium boom as his town's last chance for survival.

"If we don't build new infrastructure and bring tourists here," he said with a sour smile, "we'll have another destroyed Pompeii. Then, visitors will come here and inspect our ruins."

The ruins of Pompeii, the ancient city

But the site, however promising, is not ready to seize its moment.

Pompeii's ruins are falling further into ruin through neglect, erosion and vandalism. Much has had to be closed: Only 20 villas are now open to the public, down from 64 in 1956. Frescoes are fading, walls are collapsing and 2,000-year-old floor tiles unprotected from rain lie jumbled on the ground like

Scrabble pieces. The World Monument Fund and Unesco both put Pompeii on their lists of endangered world treasures last year and pledged to help pay for restoration projects. The Italian government has also promised \$60 million for the site over the next three years. And this, too, is not enough, its caretakers say.

"We need \$280 million just to protect and restore what we have," said Pietro Giovanni Guzzo, 53, superintendent of the Pompeii ruins.

The \$60 million will be used for restoration and preservation, not for existing archaeological work and new excavations. Nor will it trickle down to the neighboring town.

Mr. Guzzo, who was appointed three years ago, said he was aware of the smoldering rancor of the town of Pompeii but could do little about it. He has a

plan — not yet financed — to build public parks and picnic areas along the walls to bridge the divide between town and archaeological site.

"It's true that we have to find a way to involve the town more in what we do," he said.

The town of Pompeii does have one famous shrine, the Madonna of Pompeii, which each year attracts more than 1.5 million religious pilgrims. Four million are expected to journey there in 2000.

Worshippers of the Pompeii madonna tend to be pious but poor, and they do not spend much money in the town. Nor do they frequent its hotels, most of whose 600 beds are rented out by the hour.

Tour groups bus thousands in every day to see the ruins and then race them off to Naples or the resort town of Sorrento, bypassing the town of Pompeii.

The town's inability to attract the development that would tempt tourists is a typically southern Italian problem. Its region, Campania, is prone to mudslides and earthquakes as well as being deeply infiltrated by the Neapolitan Mafia, known as the Camorra. Legitimate businesses are reluctant to invest.

Construction, mostly Mafia-controlled, is shoddy and illegal. State money for public works projects has a history of getting diverted along the way. The three previous mayors of Pompeii are awaiting trial on corruption charges. When local law enforcement officials want to tear down illegal housing, they call in the army to ensure that it gets done.

Mayor Staiano is well aware that his plan to select private investors to build hotels and restaurants may mainly lure criminal groups, and says local anti-crime authorities are on the alert.

Organized crime is not the main concern of Mr. Guzzo, but he has security concerns of his own at the archaeological site. He, too, is trying to change an entrenched system — in this case one of patronage and bureaucracy.

Pompeii has 140 custodians, civil servants who can almost never be dismissed. Pompeii guards are known to accept bribes to take tourists into closed areas. Mr. Guzzo recently tried to clamp down by ordering that all guards leave their keys in the front office. The order created such a fuss that he had to back down.

"Some of these custodians have the same last names as people who worked here in the 18th century," he said. "It's difficult to change in 3 years what has been going on for 250."

He is also struggling to resolve a debate raging between archaeologists and scholars over whether to dig more or restore what is already there. Only two-thirds of the original city of Pompeii has been excavated. Beneath the Roman Pompeii, moreover, there are fragments of societies dating back to the Bronze Age.

Mr. Guzzo, who is determined to save what he has before uncovering more, plans to offer Italian corporations a chance to sponsor Pompeii villas and pay for restoration and maintenance. But he said that sponsors preferred the more glamorous public-relations payoff of unearthing fresh sites.

"It's more romantic to find new things than conserve what you already know," he said with a weary smile.

Even so, some new features intended for the millennium are already in place. Six villas have opened this year, as well as three new pathways, which allow visitors to stroll in shaded areas and even picnic among the ruins.

Other improvements, however, have created huge local uprisings. The site's directors have decided to let businesses bid for franchises on several restaurants, bookstores and museum shops inside the ancient city's gates. This has infuriated local vendors whose livelihood depends on selling soft drinks, pizza, guidebooks and souvenirs outside the gates.

"We asked to go inside, but they only want big companies," Pietro Reggi, 23, complained from his souvenir stand. He has an accounting degree, he said, but explained that the only work available is the family-owned stand.

"They are speaking with the likes of Agnelli," he said, referring to the family that established Fiat. "We are nothing."

Staring up resentfully at the walls, Mr. Reggi added, "Pompeii is a national treasure, but they are turning it into a Jurassic Park."

The Legacy of Abacha

An Unpopular Leader Leaves Nigerians (And the Region) Fearful and Divided

By Howard W. French
New York Times Service

FREETOWN, Sierra Leone — Few Nigerians are in a state of mourning over the death of General Sani Abacha, a deeply unpopular leader. But while Nigeria awaits clearer signs of its political future, nearly all of the nation is in a state of dread.

General Abacha's legacy is a demoralized army, a political class whose leaders have been jailed or driven into exile, and a national economy that has been looted into penury.

The booby traps he left in the nation's path could violently rend Africa's most populous country, and send shudders through the West African nations that gravitate around this regional giant like so many small moons.

Although the military leadership named General Abdulsalam Abubakar, who was promoted from major general and was formerly defense chief of staff, as the country's new head of state, the nation remains divided.

"How divided is this military?" said Bolaji Akinyemi, a former Nigerian foreign minister. "It is seriously divided. What is the strength of each faction? Nobody knows. What is certain is that this is a very dangerous moment."

General Abacha, who was 54, governing in a style bordering on heightened paranoia, left a military that is both Africa's largest and perhaps its least unified. Wave after wave of purges of senior officers, show trials of suspected opponents and long-sustained ethnic favoritism in the officer corps have left many commanders deeply demoralized and dangerously suspicious of each other.

"There are many of us who have made our lives in the army because we were trained to believe that the military had something vital to offer to the nation," said one senior Nigerian general in a recent interview. "This, however, does not include politics, and we have a bunch of officers who come to think of

themselves as permanent politicians. In behaving this way, they are dragging us all down."

With feelings this raw and opinions so divided — between those who wish to get back to a classic republican army and others who have for years cherished military power as a way to gain access to the country's trough of abundant oil wealth — many now fear an open and potentially violent split.

General Abacha's unexpected death came less than four months before a long-promised transition to democratic civilian rule. But by the time he died early Monday, reportedly of a heart attack, even those who had been temporarily willing to believe in the improbable gift of a democratic election had long ago concluded that this stern and secretive military man would destroy the country in his attempt to keep tight personal control.

The seven military dictatorships that have dominated Nigeria's history since independence from Britain 1960 have all put forth plans for a "transition to democracy." Even if the current high command is able to maintain a reasonably united front and advance yet another, there is no sign that the country's political class will meekly sit back and await the results.

Some democracy activists, already suspecting the military has little intention of giving up power, have begun to warn of the possibility of spreading unrest. In the weeks leading to General Abacha's death, street protests against the military have erupted into small-scale riots, and opposition leaders had already announced plans for a series of strikes and other demonstrations against the army.

Nigerians, still haunted by the 30-year-old memories of the Biafra conflict, one of Africa's worst civil wars, have little difficulty imagining a continuation, indeed acceleration, of their national tragedy.

In Sierra Leone, Nigerian soldiers intervened recently to restore the elected president, Ahmad Tejan Kabbah, who had been overthrown, and rout a guerrilla force that has been terrorizing much of the countryside. There, people from street vendors to government officials expressed fear that disorder in Nigeria would cause that country to lessen its commitment in Sierra Leone, perhaps allowing the rebels to make a comeback.

"Abacha may have been hated in Nigeria, but he saved us here," said one Sierra Leonean journalist. "If things go badly in Nigeria, we will surely suffer again."

In other West African countries mounting concerns about stability in Nigeria have less to do with Nigerian military involvements than with fears of a huge refugee outflow.

"If there is trouble in Nigeria, there is trouble for all of West Africa," said one senior official from Ivory Coast. "A sinking Nigeria is big enough to swamp us all."

Foreign Troops Arrive to Help Guinea-Bissau

Reuters

DAKAR, Senegal — Troops from Guinea have flown to help the government in neighboring Guinea-Bissau, which is struggling to overcome a rebellion by elements of its own army, a U.S. diplomat in Bissau said Tuesday.

"Well-placed sources told me that there are about 400 Guinea-Conakry troops in the presidential palace who arrived by helicopter," said the diplomat, Brian Hunt.

Diplomatic sources also said they had heard reports, which they could not confirm, that Senegal was assembling troops on its border with Guinea-Bissau, ready to send them in to help President Joao Bernardo Vieira.

Senegalese military sources would only say that they were "vigilant" and closely following the situation in Bissau, the capital.

The diplomats said they believed that the airport in Bissau had fallen under rebel control Tuesday.

Early Tuesday, an attempt by loyalist troops to take a military complex in the capital had been repulsed by the rebels.

The head of the rebel forces, the former army chief, Ansumane Mane, proclaimed himself head of a military junta, and in a communiqué sent to the Portuguese news agency Lusa, called on General Vieira's government to resign.

General Mane, whose dismissal Saturday by General Vieira sparked the revolt, said he intended to set up a transition government to prepare for "free and transparent" elections in the West African state.

The statement was issued shortly after government troops apparently failed to storm a rebel stronghold in a military complex in the district of Bra, near the Bissau airport. A U.S. diplomat said government forces were withdrawing.

Lusa quoted the Portuguese ambassador in Bissau, Francisco Henriques da Silva, as saying that sporadic gunfire could be heard in various parts of the city.



DELUGE IN HONG KONG — A man losing his footing Tuesday as a policeman watched after Hong Kong was hit by the heaviest rains this year. More than 150 millimeters fell during a seven-hour period.

LAGOS: Opposition Rejects Military Rule and Vows to Fight On

Continued from Page 1

vention has ended the crisis, is now," said a statement issued Tuesday by United Action for Democracy, an opposition umbrella movement.

A broad range of opposition groups have called for an Abacha-led transition government to prepare a constitution and elections for lasting democratic rule.

But the opposition's hopes may be unrealistically high. They have not recently been able to sustain public protest against the military.

Nigerians are deeply apathetic and appear to want the army out of power, but, exhausted and impoverished by Nigeria's economic paralysis, people have shown little readiness to risk active protest against the armed forces.

On April 25, Nigerians boycotted a sham legislative election called by General Abacha. But a week later, they responded only feebly to an opposition call to march in the streets to demand civilian rule. A protest in the city of Ibadan turned into a riot, and seven demonstrators were killed.

Nigerian military and political analysts say the officer corps includes many who see the army as corrupted by power and better off returning to the barracks. But General Abacha worked steadily while in power to scatter and suppress that constituency.

In choosing General Abubakar, who served General Abacha as military chief of staff, the top leadership appeared to signal that there would be as little change as possible. General Abubakar, a career officer who has never previously held a political post, "is certainly not someone likely to lead a move toward civilian rule," said a Western analyst, who asked not to be named.



General Sani Abacha, Nigeria's former president, left, with General Abdulsalam Abubakar, right, who was selected to succeed him, in a file photo.

"At best," he added, "he might turn out to be a pragmatist who will listen to the public demands, as opposed to Abacha, who sought only to crush them."

The Ninth Military Ruler

A career serviceman, General Abubakar is Nigeria's ninth military ruler since the country gained independence from British colonial rule in 1960. The Associated Press reported.

General Abubakar, 55, emerged on the national political scene in 1993 when General Abacha — who had seized power in a coup — selected him as his chief of staff.

He is a product of a military hierarchy

that rewards its own and honors unflagging loyalty: his first public words as head of state rang like a military order.

"All hands must be on deck to move this nation forward. I will address the nation in due course," he said.

General Abubakar was born June 13, 1942, in the town of Minna near the capital, Abuja. In the mid-1970s, he left the air force to join the army, which sent him to the United States for training.

In 1981, he was appointed commander of a Nigerian contingent attached to a UN peacekeeping force in Lebanon.

Rising through the ranks, he became a senior officer in the army during the late 1980s, finally coming to General Abacha's attention in 1993.

Clinton Is Confident

Kim Can Lead Korea

To Economic Recovery

The Associated Press

WASHINGTON — Celebrating Kim Dae Jung's personal victory over oppression, President Bill Clinton voiced confidence Tuesday that the South Korean president would lead a recovery of his nation's economy.

"If one man can triumph over such great adversity, then surely the Korean people can surmount their current challenges," Mr. Clinton said at the beginning of Mr. Kim's state visit to Washington.

Promising increased U.S. trade and investment, Mr. Clinton added: "The American people, including more than 1 million Korean-Americans, stand with you."

The state of the South Korean economy, which was the world's 11th largest before it sank as crisis gripped Asia, shadowed an otherwise sunny exchange of presidential greetings on the South Lawn of the White House.

Mr. Kim acknowledged that "the eyes and ears of the Korean people are focused" on his meetings with Mr. Clinton, which said he hoped would yield "a higher level of partnership, a higher friendship sharing the ideals of democracy and free-market economy."

Almost 18 years ago, Mr. Kim was under death sentence from the military government that ruled South Korea. The



President Bill Clinton guiding President Kim Dae Jung of South Korea down the stairs at the end of a White House welcoming ceremony.

outgoing administration of President Jimmy Carter and that of President Ronald Reagan interceded to save his life.

Once considered a dangerous radical back home, Mr. Kim demonstrated his endurance by winning the presidency in December. He was inaugurated at the age of 74 in February.

Concerns about the nuclear potential of North Korea were expected to dominate his visit here, coming just weeks after India and Pakistan tested nuclear weapons.

Mr. Clinton recalled standing on the Bridge of No Return at the demilitarized zone that separates South Korea from the Communist North and said he "imagined a future where people from North and South could walk freely across that bridge."

Mr. Kim has said an easing of sanctions against North Korea would help ease tensions on the peninsula. The White House says any such gestures should be conditioned on North Korean fulfillment of promises to shun nuclear weapons.

VISITS: Setback to Ties Between Koreas

Continued from Page 1

Japanese public has been embittered by the reports that Japanese were abducted, in some cases while walking along the beach, and smuggled to North Korea to serve as Japanese-language teachers or to allow their identities be taken over by North Korean spies.

The plight of Megumi Yokota, who was 13 years old when she vanished from the Japanese coast in November 1977, has particularly moved the Japanese public and created a major obstacle to any effort to improve relations. A defector from North Korea has said that Miss Yokota was abducted and has been living in the North.

North Korea announced a few days ago that it had conducted an exhaustive search for these 10 Japanese, checking birth dates and other information, but had found no sign of them. Yet instead of laying the issue to rest, as the North perhaps hoped, the investigation was immediately rejected by Japan.

"We want to obtain some clues to this problem," Deputy Foreign Minister Shunji Yanai said Monday, adding that Japan probably would not resume normalization talks with North Korea until there were some progress in finding the missing people.

North Korea responded to Mr. Yanai with a series of blasts and, apparently, with the suspension of the visits by the Japanese wives.

The Central News Agency said, "The

Japanese reactionaries' sustained talk about 'suspected abduction' will only betray the miserable plight of Japan and invite public condemnation for Japan's playing into hands of the South Korean puppets."

The news agency added that "Japan is a war criminal state which plunged Asia into disasters." The agency published accounts of World War II atrocities by soldiers whom it referred to in English as "Japs."

Yet earlier Tuesday, in a sign of its willingness to improve relations in other areas, North Korea agreed to restore a channel of communication between its army and the United States-led forces at the demilitarized zone between North and South Korea.

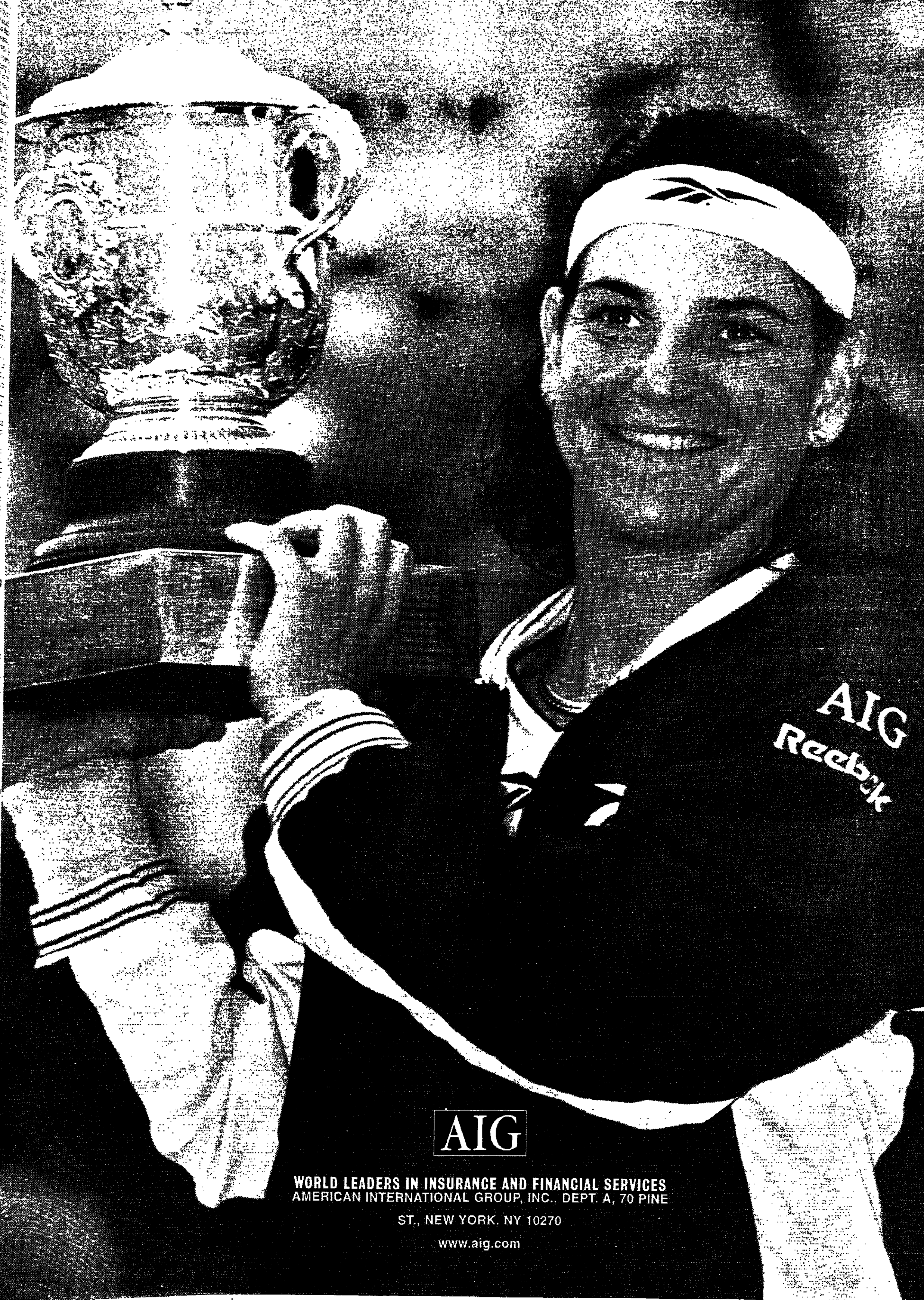
The resumption of military talks, after seven years in which they were suspended, is not expected to lead to any breakthroughs, but it could help resolve any crisis that erupted in the tense border area.

North Korea had pulled out of the earlier military talks in 1991 when a South Korean general was put in charge, instead of the American officers who had previously represented the southern side. A long stalemate developed, but this year President Kim Dae Jung of South Korea agreed to put an American general in charge again, in the interests of boosting dialogue between the two sides.

No date was set for the resumption of military talks.

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INTERNATIONAL

BRIEFLY

2 Die in North Iran
In a Hospital Blast

TEHRAN — An explosion in a hospital in northern Iran killed two people and injured four others, the official Islamic Republic News Agency reported Tuesday.

Two of the injured were in critical condition as a result of the explosion at the Totonkaran Hospital in the northern city of Rasht, the capital of Iran's northern Gilan Province, the agency said.

Earlier, the agency reported that the explosion killed one person and injured five others. It was not clear whether any of the injured had died of their wounds.

The cause of the blast was not immediately known but officials said that a gas leak from the heating installation was the cause. (AP)

Armed Algerians
Said to Murder 11

ALGIERS — Armed groups have killed another 11 people, mostly in rural parts of Algeria, independent newspapers reported Tuesday.

Five farmers were slain in Faroukha, near Blida south of here, a paper, *Le Matin*, reported.

Two security guards of a government-owned farm and two inhabitants of Soumaa, near Blida, were killed by terrorists who wanted to steal chickens, the daily *Khabar* reported.

The guards fought back for more than an hour before two were killed and one wounded. A civilian was killed by a stray bullet, and another died while handling a bomb the terrorists had left, the paper said.

One person was killed and another injured in a bomb explosion in a village near the city of Tlemcen close to the Tunisian border. (AFP)

Guatemala Arrests
2d Man in Murder

GUATEMALA CITY — Authorities here have arrested a second suspect in the April murder of a bishop who had a key role in assessing guilt for atrocities committed during the country's civil war.

Bishop Juan Jose Gerardi, 72, was killed on April 27 when his head was crushed by a concrete block. (Reuters)

Big Names Sign Letter
Criticizing War on Drugs

By Christopher S. Wren
New York Times Service

UNITED NATIONS — A drug reform institute financed by the billionaire philanthropist George Soros has amassed signatures of hundreds of prominent people around the world on a letter asserting that the global war on drugs is causing more harm than drug abuse itself.

The signers include a former United Nations secretary-general, Javier Perez de Cuellar, a former U.S. secretary of state, George Shultz, the Nobel peace laureate Oscar Arias of Costa Rica, the former CBS television anchorman Walter Cronkite, two former U.S. senators, Alan Cranston and Claiborne Pell, and the South African human rights activist Helen Suzman.

The signers also include Mr. Soros, who has spent millions of dollars trying to change the way Americans think about illegal drugs. In the past, he helped finance referendums in California and Arizona in support of medicinal use of marijuana and programs that distribute clean needles to those who take illegal drugs by injection.

The move was timed to coincide with

the UN General Assembly's special session on combating drug abuse.

The letter was organized by the Lindesmith Center in New York, which advocates more liberal drug policies. It is addressed to Secretary-General Kofi Annan, whose spokesman said Monday that he had yet to receive it. The letter also ran as a two-page advertisement in *The New York Times*.

The letter proposes no clear alternatives beyond asking Mr. Annan to take the lead in "stimulating a frank and honest evaluation of global drug control efforts."

Mr. Soros said by telephone that he had not contributed directly to the cost of the *Times* ad but that the Lindesmith Institute, which he bankrolls, had.

The Lindesmith Center's president, Ethan Nadelmann, said he initiated the project, and coordinated the letter, which drew roughly 600 signatures from around the world.

But the letter did not seem to sway participants at the General Assembly's special session. General Barry McCaffrey, the Clinton administration's director of national drug policy, called the letter "a 1950s perception" of the struggle against drugs.

Cutting Gulf Force, U.S. Pulls
12 Stealth Jets From Kuwait

WASHINGTON — The United States has withdrawn 12 F-117A Stealth attack jets from Kuwait in its reduction of military forces in the Gulf near Iraq, the Pentagon has disclosed.

Major Bryan Salas of the Marine Corps, a Defense Department spokesman, said Monday in response to questions that the 12 radar-evading fighters were flown home to Holloman Air Force Base in New Mexico on Saturday and Sunday.

That followed the recent return of eight B-52 bombers from the region and the removal of one of two U.S. aircraft carriers from the Gulf.

Six of the F-117As were sent to Kuwait last November as tension mounted between Baghdad and Washington over UN arms inspections. Another six were quietly sent later to Kuwait.

"They have been removed and brought back," Major Salas said. "Some were removed on Saturday and some on Sunday."

The Pentagon announced this month

that it was reducing the U.S. military presence in the region by about half to early-November levels because Iraq had allowed unchallenged searches by UN arms inspectors for chemical and biological weapons and because tensions in the region had subsided.

Among the warplanes scheduled to be returned from the Gulf are about 30 fighter jets, refueling aircraft and other planes.

Secretary of Defense William Cohen said that U.S. forces, including B-52 bombers such as those returned to Louisiana from the Indian Ocean island of Diego Garcia, would remain on alert in the United States and could be returned to the area in 48 hours in any new emergency. About 1,200 aircraft will remain in the region.

A senior air force officer, General Richard Hawley, called last Thursday for even deeper cuts in U.S. air power in the Gulf, citing stress on American personnel and the ability to send warplanes quickly to threaten Iraq in any new crisis.

BOOKS

GANDHI:

A Life

By Yogesh Chadha.
546 pages. \$30. Wiley.

Reviewed by
Colman McCarthy

GANDHIAN scholars and others in the know have told me that regardless of the number of biographies I may have read on the Mahatma, the breadth and luminousness of his life (1869-1948) assures that new information will keep turning up.

So it is in "Gandhi: A Life," Yogesh Chadha, a New Delhi writer, uncovers what Louis Fischer and Judith M. Brown — to take two of the major Western biographers — missed in their seemingly thorough works: that in the spring of 1895, Gandhi, then practicing law in South Africa, made a day trip to a Trappist monastery near Durban.

Gandhi saw a brand of Christianity at the Mariann Hill community of 160 priests and brothers, and a separate enclosure of 60 nuns, that is rarely seen in Western religion. "They rose at two o'clock in the morning, devoting four hours to prayer and contemplation," Chadha writes. "They breakfasted at six on bread and coffee, and

the midday meal consisted of soup, bread and fruits. Supper was at six in the evening, and by eight o'clock they were in bed. None of the brothers ate fish, fowl or meat, nor did they partake of eggs. ... No one drank alcohol, no one kept money for private use, no one left the confines of the community except on approved business, and there were no newspapers available. And yet everyone appeared happy, and visitors were received with humble bows."

The Trappists' self-discipline and collective living — both linked to daily prayer and manual labor — awed Gandhi. Of his day among these Christians, he wrote in the *Vegetarian*, a British magazine: "You see religion everywhere. I know from personal experience that a visit to the farm is worth a voyage from London to Natal."

Chadha has other offerings not found in conventional biographies. Where Judith Brown — whose 1989 "Gandhi: Prisoner of Hope" is both literate and analytical — describes Gandhi's relationship in the early 1930s with Lord Irwin, Britain's viceroy in India, Chadha does that and includes the full text of a long letter from the Indian to the Englishman. It endures

as one of the 20th century's purest statements of protest against abusive authority. "Nothing but organized non-violence can check the organized violence of the British government," Gandhi wrote to the lord whose regime was lording it over destitute India.

Ten days later Gandhi and 78 followers of strong will and stronger legs left their ashram near the city of Ahmedabad in a protest walk of 240 miles in 24 days to the sea at Dandi. This was the Salt March, taken to publicize the British government's ruthless tax and monopoly on salt. The march became a movement, with several thousand joining in from the stopover villages along the way. A nationwide defiance of the salt tax followed.

Gandhi was 61. He was known through his writing — 500 words a day during his adulthood — and his political successes in South Africa, where he changed discriminatory laws, and in India, where he opposed the salt tax. His political goal was Britain's expulsion from India.

Seventeen years would pass before the British were forced to vacate India. Historians disagree on the breadth of Gandhi's role in Indian independence. Chadha argues that Gandhi "cannot be acclaimed as the author of India's freedom." He came aboard a reform movement that dated from his days in South Africa. Nor did he ever posture as the leader of independence. What is well beyond historical dispute is that, as Chadha writes, "the extraordinary manner in which [India's freedom] was achieved can be pointedly ascribed to him."

The manner was nonviolence. Gandhi disliked the word, arguing that it was a negative, with nonviolence

saying only what it wasn't. He invented his own word, *satyagraha*, the force of truth and love. It was twinned with *ahimsa*, the Jain commandment to live harmlessly. After a few jailings — Gandhi spent 2,089 days in Indian prisons and 249 in South Africa's — he began avoiding the phrase "passive resistance," with its errant suggestion that pacifism equals passivity. It is, instead, violent-free direct action organized to convert abusive power.

As with most Gandhi biographers, Chadha records that the Mahatma walked the earth with feet emphatically made of clay. He was an overly harsh disciplinarian with his four sons, temporarily disowning one for wanting to marry at age 18. (Gandhi himself had married at 13.) He quarreled with his brother Laxmidas over money. He refused to let his wife wear a necklace she received as a gift.

At 37, he embraced celibacy and denied sexual relations with his wife for the rest of her life. When she became ill while jailed for civil disobedience (not against her husband, unfortunately), Gandhi wrote to say he was too busy saving the world to come to her. For all of these offenses, Gandhi would sink into deep remorse. He had the saving grace of self-awareness, the gift of seeing his own flaws and the energy to overcome them, however fallibly.

Until another Gandhi scholar comes along who digs deeper and can write more movingly, Gandhi scholarship will be well served by Chadha's effort.

Colman McCarthy, director of the Center for Teaching Peace, wrote this for *The Washington Post*.

BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION		
Week	Book	Weeks on list
1	YOU BELONG TO ME, by Alan Higgs Clark	2
2	A WIDOW FOR ONE YEAR, by John Irving	3
3	'N' IS FOR NOUSE, by Sue Grafton	1
4	BLACK AND BLUE, by Anna Quindlen	5
5	CITIES OF THE PLAIN, by Cormac McCarthy	9
6	SECRET PREY, by John Sandford	8
7	MESSAGE IN A BOTTLE, by Nicholas Sparks	4
8	THE STREET LAWYER, by John Grisham	7
9	OH, THE PLACES YOU'LL GO, by Dr. Seuss	162
10	COLD MOUNTAIN, by Charles Frazier	9
11	SUMMER SISTERS, by Judy Blume	26
12	MEMOIRS OF A GESSHA, by Armin Greder	10
13	THE LONG ROAD HOME, by Danielle Steel	6
14	DAMASCUS GATE, by Robert Stone	13
15	FLIGHT OF EAGLES, by Jack Higgins	1
NONFICTION		
1	TUESDAYS WITH MORRIE, by Mitch Albom	33
2	WE ARE OUR MOTHERS' DAUGHTERS, by Cole Roberts	2
3	STILL ME, by Christopher Reeve	3
4	THE MAN WHO LISTENS TO HORSES, by Mary Roberts	6
5	ANGELA'S ASHES, by Frank McCourt	4
6	THE GIFT OF THE JEWS, by Thomas Cahill	7
7	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	9
8	TRITON, by Rob Chopin	5
9	TALKING TO HEAVEN, by James Van Praagh	8
10	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	11
11	TRUMP OF JUSTICE, by David Perrotelli with Peter Knobler	10
12	ARE YOU SOMEBODY, by Nuala O'Faolain	1
13	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	12
14	CONSEQUENCE, by Edward O. Wilson	7
15	A WALK IN THE WOODS, by Bill Bryson	1
ADVICE, HOW-TO AND MISCELLANEOUS		
1	IN THE MEANTIME, by Lynne Vannoy	7
2	SUGAR BUSTERS, by H. Leighton Swenson et al.	4
3	THE 9 STEPS TO FINANCIAL FREEDOM, by Suze Orman	10
4	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	11

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Herald Tribune

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A Case for Force

The details of Slobodan Milosevic's latest outrage are beginning to emerge: 250 dead, hundreds more injured, 50,000 left homeless. Mr. Milosevic, the Serbian leader, has unleashed tanks and other heavy weaponry against defenseless villages in the independence-minded province of Kosovo. This is precisely the kind of ethnic cleansing that the Clinton administration had said repeatedly it would not allow. But its response so far is weak.

Kosovo is a province of Serbia that is 10 percent Serbian and 90 percent Albanian. Mr. Milosevic, by oppressing the Albanian majority, has been the best recruiter for an independence movement. Now he proposes to crush that movement militarily, a fruitless endeavor but one that could spill war into neighboring Albania, Macedonia and beyond.

The United States, in response, has imposed sanctions, withdrawn troops, and, on Monday, imposed sanctions again. But sanctions will not deter Mr. Milosevic, and sending NATO troops to patrol Kosovo's borders — another option under discussion — would only help him.

As British Prime Minister Tony Blair seems to realize, the Serbian dictator understands only the language of force. President Bill Clinton apparently understood that at one time, too, warning Mr. Milosevic that the United States would use force to keep him from solving this problem militarily.

But now that the issue is more than hypothetical, the White House seems eager to walk away from that commitment. National security adviser Sandy Berger said on Monday that use of force was not "at this point on the table." Subsequent clarifications by spokesmen did little to erase the dam-

aging impression of a superpower looking to waver.

The explanation one hears from the Pentagon is that the U.S. military is stretched too thin to take on another mission, what with 8,500 troops in Bosnia and thousands more keeping an eye on Iraq.

If this is so, the generals have an obligation to tell Congress that they need more money. A modest peace-keeping operation in the former Yugoslavia is well within the bounds of what America should be able to expect of its military. If the armed forces don't have the resources, it's the budget that should change, not U.S. foreign policy.

Another explanation is that the American people, or Congress, will not support another U.S. intervention. Congress does not like being misled, as it was on how long U.S. troops would be in Bosnia, but there are indications that it would accept America's responsibility in Kosovo if dealt with honestly. The public similarly would support a sensible mission if Mr. Clinton took the trouble to explain the need.

Certainly armed force should never be used or threatened lightly.

In Kosovo's case, the humanitarian rationale is compelling, but not sufficient; people are suffering in many conflicts, from Eritrea to Sri Lanka, and America can't save them all.

What makes Kosovo different is the likelihood that the fighting, if unchecked, will escalate, threatening the fragile peace in Bosnia and potentially sucking in even Greece, Bulgaria or Turkey.

Then Mr. Clinton and his military would have no choice, and their task would be far more daunting.

—THE WASHINGTON POST

Wrong About Drugs

Manhattan is filled this week with world leaders attending a well-intentioned but misguided United Nations conference on drugs. With drugs more plentiful and cheaper than ever worldwide, the leaders are mostly extolling failed strategies to combat the problem. Pino Arlacchi, the Italian who heads the UN Drug Abuse Control and Crime Prevention Organization, is promising to eliminate coca leaf and opium poppies, the basis of cocaine and heroin, in 10 years. Such claims get in the way of effective programs to reduce drug use.

Mr. Arlacchi's proposal, which is likely to be approved, would attempt to cut drug cultivation by bringing roads, schools and other development to drug areas. The notion sounds reasonable, and it is surely better to help farmers than to finance a militarized war on drugs, which has torn apart societies and built up some of the world's most repressive armies. But elements of Mr. Arlacchi's plan are unrealistic and harmful. Half the funding would supposedly come from drug-producing nations themselves, an unlikely prospect. He would also make partners out of such abusive and unreliable governments as

the Taliban in Afghanistan and the military in Burma.

While there is a place for crop substitution, law enforcement, interdiction and other programs to cut drug supply, these steps rarely deliver promised results. Where crop substitution has been successful, drug cultivation has simply moved next door.

The conference has seen a welcome increase in talk about the duties of drug-consuming countries, but its proposals are still tilted toward attacking supply. Studies show that treatment programs are far more cost-effective than efforts overseas, but it is politically safer to advocate fighting drugs abroad than treating addicts at home.

The United Nations kept off the program virtually all the citizens' groups and experts who wanted to speak. There is no discussion of some interesting new ideas such as harm reduction, which focuses on programs like needle exchanges and methadone that cut the damage drugs do. Like previous UN drug conferences, this one seems designed primarily to recycle unrealistic pledges and celebrate dubious programs.

—THE NEW YORK TIMES

Teaching Them English

The success of California's Proposition 227, which is generally described as abolishing bilingual education, in fact does something more interesting. It radically alters the basic educational assumptions about how best to move non-English-speaking students toward success in school. Not the goal — bilingual education itself was intended to get students to par in English while letting them keep up in their subject classes — just the consensus on what best achieves that end.

In a resounding 60 percent victory, proponents of the change signaled their agreement that the now institutionalized means of reaching that goal should be scrapped and something new tried instead.

That the "something new" has a somewhat old-fashioned sound to it — a year of intensive English immersion for all children — does not necessarily mean that the new approach must duplicate the weaknesses of the past.

Those weaknesses included the notorious sink-or-swim approach by which students simply struggled, the strong catching on, the rest falling farther and farther behind.

The question to be tested by the new programs, assuming that they survive

court challenge and threats of teacher resistance, is more narrowly pedagogical: Is a year of intensive English instruction enough, if not for mastery then at least for a level of comfort that will leave students ready for functioning in a regular English-language classroom?

As a starting assumption, is fast better than slow, challenge better than coddle — especially for children, whose language-learning abilities are at their peak?

Many who have struggled to learn foreign languages will see a basic common sense in this assumption, much as voters Hispanic and non-Hispanic seem to have done, while still worrying whether the scheme would afford enough safety and flexibility to children who can't rise to the challenge. California has a strong obligation, not to mention self-interest, in educating those children, too.

But it is by no means obvious that the California result signals a widespread desire to abandon them. Proponents insisted that, on the contrary, they wished only to save such children from educational limbo. And that is a worthy goal.

—THE WASHINGTON POST

America Needs to Patch Up Relations With Iran

By Thomas L. Friedman

WASHINGTON — On his way home from China, Bill Clinton ought to stop in Iran. Yes, Iran.

Looked at a map of South Asia lately? China's got the bomb. India's got the bomb. Pakistan's got the bomb. Let's see, who's next to Pakistan? Iran.

It is probably only a matter of time, a decade or less, before Iran, for its own geostrategic reasons, develops or acquires a nuclear device. Who knows, maybe Pakistan, reeling from sanctions, will sell Iran one. The only question is what regime will be in power in Tehran with its finger on the trigger.

A struggle is under way in Iran over exactly that question. The outcome of that struggle is a vital U.S. strategic interest. It must be defined as such.

If Iran obtains a nuclear bomb and the most radical ayatollahs are in charge there, it will further undermine stability in the Middle East. If Iran obtains nuclear technology and the moderate forces now on the rise there can consolidate their hold on Iranian politics, it is possible that Iran can once again be a bulwark for stability in the region.

It is time the United States stopped

debating whether to try to bolster the moderate — yes, moderate — new Iranian president, Mohammed Khatami, and started thinking about far-reaching ways to strengthen him and the popular forces behind him.

Washington should be doing everything it can to encourage U.S.-Iranian contacts, from soccer to diplomatic dialogues to cultural exchanges, and to lay out a specific road map of what it wants from Iran now, and what Iran could expect in return. It is time for a Nixon-to-China-like, bold U.S.-Iranian initiative.

Stopping, or at least slowing down, Iran's acquisition of nuclear technology, even if it means sanctioning Russian nuclear-export companies. It is necessary for the stability of the Middle East, but it is not sufficient. If America focuses only on preventing Iran from going nuclear by isolating it, without also focusing on who in Iran has his finger on the trigger, it will be making a strategic blunder.

Wake up! Smell the Turkish coffee!

The Iranian people stunned Tehran's hard-line leadership last year by rejecting the conservative candidates and electing Mr. Khatami in a landslide, embracing his platform of permitting greater cultural, personal and political freedoms. Ever since, a low-grade civil war has been under way between the pro- and anti-Khatami forces.

Last month two senior clergymen on the watchdog Council of Guardians attacked Mr. Khatami for his policies of opening Iran to the world. Two weeks ago the supreme religious guide and chief hard-liner, Ayatollah Sayed Ali Khamenei, turned up at Tehran University to address the students in an effort to puncture the outpourings of support there for President Khatami.

After the commander of the Revolutionary Guards told a closed meeting of his officers that he would "cut the necks and tongues" of Iran's new liberal press, he was denounced and had to back off from his remarks, saying he had been misunderstood.

The most important forces in Iran today are the students, the women and

the middle classes broadly defined," said Shaul Bakhash, an Iran expert at George Mason University. "Those forces, all of which are militating for a more open society and the rule of law, are strengthened today, not weakened, by Iran's economic development and its interaction with the West. The way to strengthen these forces further is by helping Khatami further open Iran internationally and develop it rapidly."

Nothing would advance U.S. interests in the Middle East more than if this struggle were won by those who want Iran to become a law-abiding member of the world community.

The United States cannot bring about an end to Saddam Hussein, or produce a radical Arab-Israeli breakthrough, or really prevent the spread of nuclear technology in the Middle East, without a different Iran.

Whether Iran is actually capable of being a pivot of stability is unclear. It needs to be tested. But the potential is there. Unlike elsewhere in the Middle East, in Iran the people are now leading a genuine movement for change.

The New York Times

Seen From Israel, the Signs Point to a Nuclear Arms Race

By Yossi Melman

TEL AVIV — A few hours

before Pakistan conducted its second series of nuclear tests last month, its radar screens identified enemy fighter planes resembling U.S.-made F-16s entering Pakistani airspace. India flies Soviet-made MiGs, so the Pakistanis concluded that the intruding blips were Israeli fighters preparing to attack their nuclear facilities on behalf of India.

Nawaz Sharif's government issued a strongly worded statement warning India of a "painful response" should India try to destroy its nuclear facilities. Meanwhile, it secretly contacted the Israeli government seeking clarification.

The Israeli ambassador in Washington hurriedly telephoned his Pakistani counterpart to assure him that Israeli fighters were not in the area.

Pakistanis fears of an Israeli strike were not groundless. Since 1972, when Prime Minister Zulfikar Ali Bhutto ordered his nation's nuclear physicists to build a bomb, Israel's worst strategic nightmares have revolved around an "Islamic bomb."

Israeli fears that Pakistan would share its nuclear know-how, technology and materials with other Muslim countries brought Israel and India closer

together. Before the two countries established full diplomatic relations, they clandestinely cooperated on defense and intelligence matters. In 1994, after India and Israel opened embassies in Tel Aviv and New Delhi, they formalized defense cooperation in an agreement. Since then, collaboration has intensified.

India's leading defense scientist, the nuclear weapons expert A.P.J. Abdul Kalam, visited Israel several times in 1996 and 1997, along with several other top Indian scientists. Senior Israeli scientists reciprocated with visits to India.

A few days after India tested its nuclear devices last month, a top-ranking delegation from the state-owned Indian Aircraft Industries toured India. The purpose of the visit was to accelerate the sale of Israeli-made pilotless aircraft and sea-to-sea missiles.

To some Israelis, including Prime Minister Benjamin Netanyahu, the Pakistani nuclear tests are just another manifestation of the monolithic Muslim world out to destroy the Jewish state. Iranian Foreign Minister Kamal Kharrazi's sudden visit to Islamabad to congratulate Pakistan for its achievement

strengthened these suspicions.

Some senior officials and intelligence experts disagree. "I do not see an immediate Pakistani-Iranian cooperation in the nuclear field," says a senior intelligence analyst.

In truth, Iran has much closer diplomatic relations, larger commercial accounts and more defense contacts with India. On several occasions, Israeli officials have expressed concern about this evolving relationship.

Still, the lessons to be drawn from the Indian and Pakistani tests are alarming to Israel. The most obvious is that if a country with the basic scientific and technological infrastructure to build a bomb decides to go nuclear, no one can stop it.

The possibility of a nuclear arms race has long lurked in the background of strategic thinking about the Middle East. Now such a competition seems more possible than ever. Imposing economic and military sanctions seems to make no difference to a country determined to develop a nuclear capability.

A recent report by the Israeli military intelligence's research department for Mr. Netanyahu asserts that it is only a

matter of time before Iran develops its own military-related nuclear capability. Once it has the bomb, its sworn enemy Iraq is likely to have it, too.

Israel has never admitted to having nuclear bombs. The official policy, repeated by successive governments, is that it will not be the first to introduce nuclear weapons into the region. This policy is crafted to create ambiguity and deflect international pressure while keeping adversaries honest.

But if Iran builds a bomb, Israel loses its nuclear monopoly in the region.

It could send its air force on a mission to destroy Iranian nuclear facilities, repeating the successful attack against Iraq's 17 years ago. Iran has learned the lessons of that attack and hardened and dispersed its facilities. In any case, Israel is unlikely to initiate any such assault. The political and strategic ramifications would be too far-reaching.

In addition, many experts doubt whether Iran, rhetoric notwithstanding, seriously considers Israel an enemy. "It is more likely that an Iranian nuclear warhead will create a stronger headache for Saudi Arabia, Iraq and Egypt," an Israeli intelligence official says. Or Israel could change its

nuclear policy from ambiguity to clarity, declaring that it wants to join the nuclear club. But neither the international community nor Israel is ready for this approach.

Interviews with cabinet ministers, opposition leaders, Knesset members and military experts indicate no enthusiasm for any change in policy. "It is better for us to remain ambiguous," says former Prime Minister Shimon Peres.

If preempting Iran's atomic ambitions and declaring membership in the nuclear club are unrealistic, the emerging choice seems to be an accelerated nuclear arms race.

Nuclear weapons in Iran, and possibly in Iraq, hands would compel Israel to stay ahead in terms of both conventional and nonconventional weapons. Based on past logic and the experience of the U.S.-Soviet nuclear arms race, this means that Israel will have to develop a second nuclear-strike capability.

By year's end the navy will receive the first of its two modern submarines built in German shipyards.

The writer, a journalist at the Israeli daily Ha'aretz, contributed this column to the Los Angeles Times.

China Has Made an Effort and Now Wants Its Reward

By David Shambaugh

BEIJING — Chinese-American relations seem to be back on track. A new, more positive atmosphere is apparent. Can the momentum be sustained and a more cooperative relationship established?

Discussions with Chinese civilian and military officials evince little of the hostility toward the United States that was evident only a year ago. These officials seem satisfied that Washington is no longer attempting to "contain" China or undermine the Communist regime. They think that Beijing has acted responsibly to meet many American demands.

In the human rights arena, China has released and sent into exile imprisoned dissidents Wei Jingsheng and Wang Dan. It has signed the UN Covenant on Economic and Social Rights, and promised to sign the UN Covenant on Political and Civil Rights. It has invited Mary Robinson, the UN high commissioner for human rights, to visit China, and received human rights teams from a number of countries.

In security affairs, China has cut off its nuclear assistance and missile transfers to Iran and Pakistan; adhered to the parameters of the Missile Technology Control Regime, although it is not a member; become a supporter and full participant in the ASEAN Regional Forum on security; stopped criticizing U.S. military forces and alliances in

East Asia; refrained from further aggressive actions in the South China Sea and the Taiwan Strait; entered into broad-ranging military relationships with America and other nations.

China has demonstrated its commitments to international security by joining the nuclear nonproliferation treaty, the treaty banning nuclear tests, and conventions to outlaw chemical and biological weapons.

Beijing has joined Washington combat terrorism, organized crime, narcotics traffic, smuggling of migrants, piracy and environmental dangers.

To help ease tensions on the Korean Peninsula, China has contributed to humanitarian re-

lief in North Korea with food, medicine and energy; been a constructive partner in the four-party talks with the United States and North and South Korea to bring about a permanent peace treaty; worked to apply the alternative energy plan that has frozen Pyongyang's nuclear weapons development program.

In the Asian financial crisis, China has contributed several billion dollars to help Thailand and Indonesia stabilize currencies; held firm in not devaluing the Chinese renminbi; refrained from meddling in Hong Kong's financial sector during its crisis; generally been supportive of efforts by the IMF to restructure ailing Asian economies; taken several steps to stabilize its own economic problems.

Having met these and other American concerns, Beijing now says it is time for Washington to reciprocate.

Chinese officials and experts indicate that they would like lifted all remaining sanctions imposed by the United States after the 1989 killing of pro-democracy demonstrators in Tiananmen Square.

Beijing also wants Washington to support China's positions in the negotiations on its application to join the World Trade Organization.

Most of all, it seeks steps concerning Taiwan, including explicit assurances that Taiwan falls outside the scope of new U.S.-Japan Defense Guidelines, and that Washington will not provide the island with theater missile defense protection.

Beijing also wants explicit written assurances of complete U.S. conformity with the August 1982 joint communiqué on arms sales to Taiwan. China says the United States has repeatedly violated the communiqué's qualitative and quantitative ceilings by providing Taiwan with F-16 fighters, Perry and Knox class frigates, EC-27 early warning aircraft, and Patriot-like anti-ballistic missile batteries.

Unless Washington gives these assurances, Beijing appears prepared to slow down the new momentum in relations and restrict the further development of bilateral ties. Chinese leaders argue that President Bill Clinton's visit to China from June 25 to July 3 is the time to address their concerns.

The writer, director of the Sigur Center for Asian Studies at George Washington University in Washington, contributed this column to the International Herald Tribune.

Tame Europe's Black Economy

By Bimal Ghosh

GENEVA — No one can be sure of the exact size of the black economy in Western Europe, but a recent report by the European Commission estimates that it equals up to 16 percent of GDP, compared with 5 percent in the 1970s. In Italy, Greece, Spain and Belgium it is at least 20 percent. Sweden loses from \$2.6 billion to \$5.2 billion in tax revenues every year.

A French employer's total cost for officially employing a worker can be three times the worker's take-home pay.

Loss of public revenue and the consequent pressure on basic social services are not the only negative consequences. Many activities in the black economy entail labor conditions far below accepted general standards.

They tend to create an underclass in society, worsen income inequality and eventually cause social tension.

Since these activities are carried out in defiance of fiscal, labor and other laws and regulations, they lead to a general erosion of respect for the law.

The attraction of evasion of taxes on labor, profits and wealth, combined with low overhead expenses, diverts capital and entrepreneurial energy into the black economy, draining investment away

from the rest of the economy.

Large enterprises — successful fashion houses in France and Italy, and skill-intensive industries such as software development — rely on the black economy to gain a competitive edge.

Employers in the black economy seek irregular immigrants, not just because they are cheap but also because their vulnerability makes them easier victims of exploitation. From 250,000 to 300,000 irregular immigrants enter Europe every year.

They often live in ghettos or in hiding, and have virtually no access to advancement. Their marginalization increases over time.

Should governments try to dismantle the black economy through drastic punitive and coercive action? That sounds tempting, but it is naive.

The underground economy in industrial countries should not be equated with informal-sector activities in developing countries, where they often serve as an essential part of the survival strategy of the poor.

Even so, the underground economy in industrial economies shows a remarkable innovative capacity to create

jobs and income for unemployed or underemployed labor, at extremely low cost.

In a wider sense, it serves as a response to important social and economic needs and to institutional, including legal, deficiencies.

Governments should take vigorous action, involving both the formal and the underground sectors.

First, they need to lighten the tax burden and remove the regulatory red tape and other irritants that now stifle the formal economy and drive labor and capital away from it.

Second, they should assist enterprises in the black economy to increase productivity and income while at the same time ensuring social protection of workers.

The basic aim should be to foster complementarity between the two sectors in a decent and open society. The present EU policy prescription hardly does that.

The writer is a Geneva-based international consultant on trade, development and international migration. His latest book, "Huddled Masses and Uncertain Shores," analyzes regular migration and the underground economy. He contributed this column to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: Colonial Wood

PARIS — An article in the "Temps" pointed to the reason why English colonies enrich Great Britain while French colonies impoverish France. Nearly all the wood used in paving the streets of Paris comes from Australia, and another British colony has just come forward to dispute the monopoly. Now, France possesses hundreds of thousands of acres of forest land in her colonies, but no one looks after the sale of the wood, hence Paris is paved with wood supplied by England.

1923: Italian Genius

ROME — A vindication of the Italian engineer Antonio Meucci as the inventor of the telephone, instead of Alexander Graham Bell, has been officially made by the Italian Government. Premier Mussolini states that the Supreme Court of

the United States rendered a decision in Meucci's favor in 1888, declaring that the Bell telephone should be called instead after the Italian inventor. The Premier concludes, "We Italians must make another vindication by counting among the most splendid glories of our genius that of the inventor of the telephone, Antonio Meucci."

1948: Red 'Crisis'

BELGRADE — Communist leaders in eastern Europe are facing a "crisis of quality" — their parties are swollen with workers and peasants who have not shed their petty bourgeois backgrounds, Matyas Rakosi, general secretary of the Communist party of Hungary, says in the organ of the Cominform. Rakosi proposes purges as a correcting measure plus temporary non-acceptance of members and the raising of party educational standards.

Herald Tribune

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OPINION/LETTERS

What's Doing in Washington? Not Much

By David S. Broder

WASHINGTON — Traveling in America's West for almost three weeks, I met dozens of people laboring under the impression that the nation's capital is consumed by scandal and accomplishing almost nothing.

Now that I'm back I can see they are, gulp, dead right. Here are the things people in Washington were buzzing about on my return:

Monica Lewinsky has changed lawyers.

President Bill Clinton, back from Europe and eager to leave for China, is fighting the independent counsel Kenneth Starr in the courts.

The Senate is hung up on tobacco legislation. The House, having failed to launch a constitutional amendment to restore prayer to public schools, may or may not get around to voting, once again, on campaign finance reform. The budget for next year, which was due two months ago, is still not finished.

Look at that list and you can see why sensible citizens from Odessa, Texas, to Davis, California, shrug with indifference when the topic of the federal government is raised — if they are polite enough not to grimace.

The economy everywhere is thriving. "Help Wanted" signs fill store windows and

managers tell you they are fighting each other for out-of-school students. The Harris poll reports that its "feeling-good index" is at a high.

The energy and optimism of the private sector provide a stunning contrast to the political lethargy and sourness of Washington. Congress will recess for the July 4 holiday, and then again in August, but already politicians on Capitol Hill are mumbling about "running out of time" to pass even routine legislation, let alone to tackle the more contentious items on the agenda.

Stalling has become a way of life in Washington. The Republican National Committee puts out a press release urging President Clinton to "stop playing the 'delay game.'" Democrats on Capitol Hill blast the "do-nothing Congress."

They are both right. Mr. Clinton long ago decided his best tactic for dealing with the Starr investigation was to slow it down, stretch it out, resist it every step of the way. If one of the goals was to bore the public to death, it is succeeding. The day by day shenanigans at the federal courthouse, where the Starr grand jury is sitting, have become tedious to the voters. Enough already, they say.

The same time-killing syndrome has infected Capitol Hill.

Opponents of the tobacco bill are throwing one non-germane amendment after another onto it, clearly hoping to delay the day when all 100 senators will actually have to vote whether to curb the industry's marketing machinations. If they wait long enough, they figure the House will not get around to acting on the measure — and they are probably right.

Much the same thing is going on with campaign finance reform on the House side. Opponents there have flooded the hopper with hundreds of amendments. They know that even if a bill emerges, the later it is, the easier it will be to filibuster it to death in the Senate.

Much of what is happening is a game of political charades, acting out slogans for the November campaign. Mr. Clinton uses his radio addresses and the public appearances that accompany his frequent fund-raising forays around the country to berate Republicans in Congress for not swallowing the juicy morsels he offered Democratic constituents in his State of the Union address.

One day he uses his children's day-care legislation to smite the Republicans; the next it is a medical patients' bill of rights.

Republicans are playing the same politics for the benefit of their core supporters. They send a school vouchers bill to the White House, knowing it will be vetoed. They make a show of trying to restore school prayer, knowing they lack the votes. Tax cuts and partial-birth abortion bans are still to come.

These diversions may be regarded as harmless, except that they poison the atmosphere for constructive collaboration on things that actually matter.

The impasse has stripped the United States of important tools for exerting its leadership in world affairs.

Last year, Congress refused to give the president "fast track" negotiating authority to tear down barriers to international trade.

The U.S. debt to the United Nations remains unpaid because of deadlock over irrelevant abortion policy, even as America tries to use the UN to handle international drug trafficking, India-Pakistan nuclear brinkmanship and ethnic strife in the Balkans.

And Congress refuses to help with additional funds for the IMF, the mechanism for dealing with currency problems that could destabilize the world economy.

America does not lack the resources to meet any and all of these challenges. But it lacks the leadership — as the country clearly sees.

The Washington Post.

The '60s Produced a Better America

By Richard Cohen

WASHINGTON — Thirty years ago this month I went to work for The Washington Post, having spent all of the previous decade either in college, in the army or working while going to school at night. I fashioned myself a '60s sort of guy and I had all the requisite experiences to back up my claim.

I was precisely the person the right wing blames for everything it doesn't like about America. Tough. I have no regrets.

In fact, I am proud of my generation — we scruffy druggies of myth and, with some people, fact. We are blamed

MEANWHILE

for a whole lot now, but the reality of what America was like before my generation got its hands on the country came back to me on the anniversary of Robert Kennedy's death, and with the recollections of John Lewis, now a congressman but once a civil rights leader who got beaten up for insisting on being treated as an American. In 1965, in Alabama, that was not the sort of thing a black man did.

It was that conjunction, Kennedy and Lewis, that said so much.

By the time Robert Kennedy was killed in 1968 he had become America's foremost critic of President Lyndon Johnson's Vietnam policy.

Mr. Lewis, a one-time aide to Martin Luther King, had joined Mr. Kennedy in California for the primary. He was in Mr. Kennedy's hotel suite when, down below, the candidate was being murdered. The two personified the great struggles of the 1960s — civil rights and the anti-war movement.

Both causes triumphed in the end, and they were both frontal assaults on the system as it then existed.

When the '60s began, Jim Crow was still in place in much of the South.

When the '60s began, it was simply assumed that the government had the unquestioned right to draft a young man and send him to fight anywhere it chose, and for any reason it chose. The '60s changed that.

You could argue about whether it was wise for the United States to get out of Vietnam. I think it was, but I understand the counterargument. Nonetheless, the '60s established a principle that, at the very least, the government ought to get the consent of the governed before sending conscripts into a war that has nothing to do with self-defense. This is not a bad idea.

To a large extent, the '60s were about personal freedom, a concept you would think conservatives would support. But for some reason the writings of conservatives, their speeches and their mailings, harken back to the '60s as if it were, in some ideological-political-cultural way, the functional equivalent of the Great Depression.

Newt Gingrich, for one, can hardly give a speech without mentioning the '60s when, in his formulation, everything went wrong.

A lot did — too many drugs, too much sex and too much (for my ears) rock 'n' roll. There was too much intellectual intolerance as well, especially when it came to the Vietnam War, and there was too much silly sloganeering. But an era that saw a spike driven into the heart of Jim Crow and accelerated the liberation of women was hardly a disaster for the country.

Bill Baird comes to mind in that regard. In 1967, the activist was arrested after a Boston University speech for giving an unmarried female student a condom and contraceptive foam. That sort of thing was illegal then in Massachusetts, as was the selling of

contraceptive devices — never mind abortion — in some other states.

It was not until the 1972 Supreme Court decision Eisenstadt v. Baird that the right to contraception was extended to unmarried people. A year later, the court made abortion a right as well. Until then, the alley was where many women went.

I had nothing to do with any of this, not the sexual revolution, not the civil rights revolution, not the anti-war

The era brought reproductive rights for women and the end of Jim Crow.

movement. I cheered, often silently, as others challenged the status quo, often risking, and sometimes losing, their lives. Bobby Kennedy in a way was one. So were James Chaney, Michael Schwerner and Andrew Goodman, civil rights activists murdered in Mississippi in 1964.

They wanted blacks to be able to vote. The '60s were a time for fools, for sure. But it is the heroes we will remember.

It is fashionable now to extol the 1950s, that supposedly enchanted era when crime, divorce and, even, neurosis were unknown, when women stayed home to tend their kids, cook for their husbands and sing Patti Page songs. Some of that is true, of course, but it was also a repressive, suffocating era for many women and for minorities of almost any kind — racial, religious, cultural, ideological. The '60s changed all that, and in so doing changed the United States for the better.

Good work, guys.
The Washington Post



LETTERS TO THE EDITOR

Help Kosovo

The time is ripe for intervention in Kosovo. Firm decisions should be made immediately. A series of meetings by international political and military institutions are to take place this week to seek a response to Serbian aggression against Kosovo's Albanian citizens.

The world cannot say it does not know enough about or has had no experience with Serbian aggression. Serbian wars have been carried out in other parts of the former Yugoslavia, most harshly in Bosnia. The Bosnian war was stopped thanks to the United States and NATO.

Postwar analyses indicate that delay in the use of force was perhaps the worst mistake of the international community in handling the Bosnian crisis.

Efficient and timely action by the international community would defeat war and ethnic cleansing projects in Kosovo and strengthen the prospect for a peaceful resolution of this conflict.

The nonviolent movement of 2 million Albanians under the leadership of Ibrahim Rugova has contributed to peace and a political settlement in Kosovo over the past nine years. It has resisted Serbian occupation and worked for Albanians' right to democracy, self-determination and independence.

EDITA TAHIRI
Pristina, Yugoslavia

The writer is foreign relations adviser to Ibrahim Rugova, the leader of ethnic Albanians in Kosovo.

Cynical Capitalism

Regarding "Pilots' Walk-out: No One (Especially the French) Should Be Surprised" (June 4):

The writer has not fully understood that strange and typical French behavior: resistance to "modernism."

Things are probably more complex. I do not think we French people globally reject change. What we do not accept is injustice. We do not accept a form of capitalism that is playing havoc with societies and destroying the planet — all for short-term profit.

Many of us had thought that capitalism would result in more for more people. It has not. Do you think we are prepared to work like slaves for cynical corporations that announce huge profits and massive layoffs on the same day? Globalization might have been a wonderful opportunity for mutual enrichment, but it has turned out instead to mean the exploitation of poor people — many of them children — while overpaid executives boast of brilliant financial results.

Some people — the French, for example — are not willing to go back to Charles Dickens's time.

PIERRE LAGET
Saint Avertin, France

A Japanese View

Regarding "Tojo Film" (Letter, June 4):

For the writer the enthusiastic reaction of Japanese audiences to the film "Pride, the Fateful Moment" shows that Japan remains out of step with the rest of the world. For me it shows that Japan is at

last looking at its history with its own eyes, breaking free of the version of history imposed by the World War II victors.

YOSHIO NAKANISHI
Tokyo

Burma's Health

Since assuming power in 1988, the Burmese military junta has transformed the country into one of the most backward and repressive in Asia. The continuing deterioration of the economy, and a leadership more interested in holding on to its own privileges than in the welfare of its people, have significantly hurt the health of the Burmese people, particularly women and children.

According to Unicef, the national infant mortality rate in 1996 was 105 per 1,000 live births, compared with 33 in Vietnam, 31 in Thailand and 11 in Malaysia. One million Burmese children are reported to be malnourished, 9 to 12 percent of them severely.

The health of the population cannot be isolated from the political situation in the country. Under present conditions, it is possible that the people's health will continue to deteriorate. The only way to reverse this situation is for the government to revise its priorities and set the health and well-being of the people above its military concerns.

CESAR CHELALA
New York

The writer is an international medical consultant.

Computer Glitches

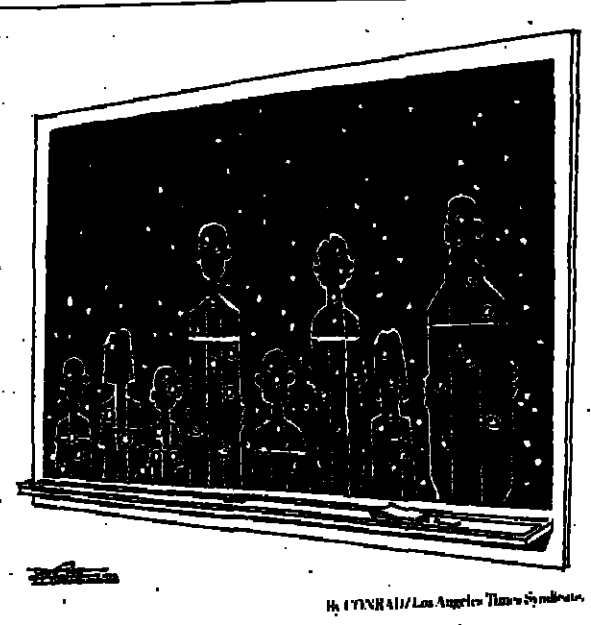
Regarding "Why Buy PC Muscle You'll Never Use?" (Finance, May 18):

Last year, in an effort to be well-equipped for a few years to come, I got myself an IBM Thinkpad 560 and the latest Microsoft software. It took me six months to get everything going, in part because I got so frustrated by compatibility problems that I let the whole machine sit for a few weeks until I finally tried again.

Meanwhile I used my old no-name Chinese laptop, vintage 1992, which worked perfectly well (though I had no Internet access).

It took hours on the phone with IBM, Microsoft and CompuServe to get the communications features of my new computer to work.

HARMUT GREBE
Berlin



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Angelique Kidjo Is on a Mission

A Whirlwind From Benin Rebels Against the Inevitable Labels

By Mike Zwerin
International Herald Tribune

PARIS — Angelique Kidjo is on what she calls a mission to "rehabilitate" the world's image of voodoo. Voodoo comes from Benin, where she was born and raised. Slave ships left from the coast near her village. "Voodoo has a bad reputation. Why? Because the colonialists found that the voodoo religion brings our people together. They didn't want that."

When she heard Jimi Hendrix sing "Voodoo Child," she said to herself, "To be big and black like that in London in the '60s and to sing about Voodoo Child was courageous." She covers it on her new album "Oremi" (Island). If a European rock band adds percussion, and/or an oud or a finger piano, they are considered to be going back to the roots. But when African musicians put a synthesizer and funk lines into the mix, purists say they are crossing over into pop music for the money.

The crossover problem seems to get worse and worse. Crossover can be defined as stylistic foul play. It is being said that Kidjo's music has crossed over from the world music category. Into exactly what, however, she is not sure: "I'm an African person bringing my culture to the Western world. I am using technology. And rhythm and blues. And jazz. I make it available for you by combining your tools with mine. But then they say it's not pure."

Her albums sell something like 100,000 copies worldwide. Island Records wants to promote her as a rhythm and blues act. She has been called the "African funk diva of world music."

Think about it. Who are the people who decide what names to give all of those categories? Who thought up "African funk diva"? For instance? Somebody secure in the knowledge of exactly what everything really is; and that it can all be conveniently divided up.

People who consider themselves to be "purists" make Kidjo laugh. "I used to argue about this sort of stuff but it's too stupid. Nature provides variety. Nature is not pure, for godsakes. You cannot go against nature. There is nothing 'pure' in this whole world."

Her father ran a photography studio. Her mother was a theater producer and choreographer. Angelique started dancing at age 6. After her brother formed a rock band, her father bought equipment for them and they rehearsed at home.

"Come and do your homework," her mother would say. "I can't. I'm listening to music," Angelique would reply.

Imitating a succession of spent-energy pants. Kidjo's tongue is hanging out. In the air-conditioned comfort of her record company's conference room, she describes the crush and the heat and the fatigue she felt when surrounded by a crowd of admirers in the airport, when she came to Benin for a rare visit home.

The people at the airport all wanted her to notice them. They wanted to touch her. A small West African country. Benin does not boast many international stars. There are girls in West Africa who dress and cut their hair like her; a prize is awarded in Benin for the best imitation of Angelique Kidjo.

It was after one of her long tours (she has even toured Australia). She just

wanted a quiet visit with her family like anybody else. Unfortunately that is no longer possible. She makes the best of it. A small, energetic woman, always on the move, she went dancing, wrote songs, talked to the media, hung out with her girlfriends from school. "You're crazy," one friend told her. "You come home to rest and then you never stop."

"I'll have plenty of time to rest when I die."

She writes her songs by singing them into a tape recorder and her French husband, who plays the bass, programs them into a computer. "Thank God he's here, and thank God for computers."

She's always asking him to work faster. "This is your revenge for slavery," he says. "I'm your slave now."

"What do I know about computers? Computers are for white people."

"If this is slavery," he smiled, "I'm in heaven."

She describes her husband as "damn white. He can't even take a tan. People ask me, 'How can you marry such a white man?' I say 'He's just a man. I don't see any color.'"

Red is the only color she recognizes, everybody has red blood. "Do you think it would be better if we all looked the same? Just one color, everywhere would be so boring."

"Oremi" is the first album of a trilogy-in-progress geared to the black Diaspora. Released last month, it speaks to African Americans. So that she can say: "I know what I'm doing, writing for you guys," she worked on most of "Oremi" in America. Branford Marsalis plays on it.

Volumes two and three will be dialogues between Africa — "the mother

continent" — and Brazil, Cuba, Haiti and New Orleans. "I will go to each place to look at the lay of the land. Then I will think and meet people and the real sense will only come when I start working."

She switches effortlessly between English and French (she sings in French, English, Yoruba and Fon, her native tongue). "Je suis une aventuriere." (A verbal adventurer for sure — she appears to love to live on the border of the politically incorrect.)

Now in her 30s, Kidjo left Benin for Paris in 1983 to study law. Then she began to sing and record music that would be classified as "Afro-funk" and "Afro-jazz fusion." The idea for the trilogy came after seeing the TV series based on Alex Haley's "Roots."

PURISTS criticize her music: "It isn't African any more," they say. Why do they have to put us all in the same hole? she asks, shaking her head and repeats, disbelieving: "Afro-funk! What do you call English music? Please tell me so that I can explain my music to you. Does anybody ask the Rolling Stones if they play English music?"

"I don't know what to call the music I'm making. I just put everything I've got together. Bingo. If it's a tabla, put it there. A violin? It goes here. I don't want to think about it. What are all these categories about, anyway? Why don't they just file all the records in one category from A to Z?"

Now there's a simple solution to the crossover problem. Want Kidjo? Just look in the K bin. "Music brings us all together," she says. "But then they try to put it through the eye of a needle."



Angelique Kidjo: "There is nothing 'pure' in this whole world."

Film Casts a Harsh Light on a Driven Priestess of Grunge Rock

By Jon Pareles
New York Times Service

NEW YORK — Courtney Love has a genius for alienating people. That's one indisputable fact that emerges in "Kurt and Courtney," a new documentary by Nick Broomfield.

Ex-boyfriends, ex-employees, acquaintances and even Love's father are more than happy to say nasty things about her. Many accuse her of complicity, or worse, in the death of her husband, Kurt Cobain, who brought grunge punk to the American masses as the leader of Nirvana. "Harpy" and "vampire" are two of the gentler descriptions of Love. The film is almost enough to create a backlash of sympathy for her. Almost.

Cobain's death in April 1994 and Love's subsequent trans-

formation from a grunge Fury to a designer-dressed movie actress have left her stranded between pop-culture archetypes. Is she a conniving would-be star who used her music and husband as stepping stones to fame? Is she an ex-punk who, unlike Cobain, couldn't resist selling out to Hollywood success? Or is she, as some of the people in "Kurt and Courtney" believe, a character out of film noir, coldly plotting the death of her naive husband to get her hands on his money?

Broomfield, the droll subjective narrator of his own film, went to Seattle to report on Cobain's life and death. Cobain was officially ruled a suicide; he was found dead from a shotgun blast, with heroin in his blood and a handwritten letter and identification near his body. Love refused to be interviewed by Broomfield, and refused to allow the use of Nirvana's songs in the film; her clout apparently caused Showtime to withdraw financing from Broomfield part way through the project.

Dave Grohl and Krist Novoselic of Nirvana are also absent. Broomfield was left with tales of conspiracy to murder, conflicting interpretations of the evidence at the death scene and hearsay about Love's intense interest in her husband's will.

In the film, Love is no charmer. Several people interviewed in the film insist that Love has something terrible to hide. (One, El Duce of the Mentors, asserts that Love offered him \$50,000

to kill Cobain, says he knows who "whacked" Cobain and is found dead shortly afterward, spurring more conspiracy theories.) There are, however, some possible alternative explanations for Love's stonewalling. Perhaps she had been talking about Cobain's will because she was worried about his committing suicide or overdosing. She had recently had their child, Frances, and many people make wills when children are born.

Perhaps she didn't want to discuss Cobain's death for the film because the topic was painful for her, or because she thought she had said enough in a public memorial during which she read his final letter in tears. Perhaps, after flouting all sorts of things about her past to the press, she was having second thoughts about doing any more interviews. Perhaps she wanted the whole thing to go away.

Even under ordinary circumstances, the punk-rock underground is not exactly a hotbed of judicious diplomacy. Cobain and Love moved in a sphere filled with junkies, hustlers, sociopaths, groupies and free loaders, not to mention artists surrounded by people who were on the make, self-destructive or both. Sleaze was everywhere, and so was a bizarre theatricality. Broomfield is properly skeptical about most of the people he interviews; corroborating evidence for their stories, he shows, is hard to come by.

Exaggeration, not understatement, goes with the punk territory, where obnoxiousness can be a sign of creativity. As her band, Hole, was making itself known, Love was the woman who might take off her clothes or say anything, blurring out the thoughts that nice girls hid. She preferred attention to privacy, and she was at least as ambitious as any other songwriter who's convinced that the world needs to hear her.

BUT now Love, like her observers, is stuck between irreconcilable archetypes. She's rich, famous and too well documented for her own comfort. When she acts up now, there are paparazzi and gossip columnists waiting to tell the world. And what was unexceptional behavior in the punk-rock sphere can now be presented as ominous foreshadowing by her embittered father. Cobain's suicide note suggests that he couldn't handle the pressure of being a commercial blockbuster while trying to stay pure in his music. His widow isn't doing so well, either. Many people who thought Hole's first two albums were startlingly honest feel duped or disgusted by her transformation. There's a difference between maturing and turning into a high-gloss phony. Hole's new album, due in the fall, has a lot riding on it. Does the millionaire actress have anything to say to the people in the mosh pit?

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Mom in the Wings: Play Agent Nurtures Writers

By Mel Gussow
New York Times Service

NEW YORK — Flora Roberts is one of the last of the red-hot play agents, a fiercely independent woman who has gone her own way in a world dominated by corporate agencies. In a career of almost 50 years, she has been a formidable talent spotter. She is arduous in her choice of clients — mostly writers, like Stephen Sondheim, Tina Howe and Alfred Uhry — and sharp-sighted in her assessments of their strengths. She is a kind of dramaturge in the guise of an agent.

Roberts has never hesitated to speak her mind. "I'm very rough on clients," she said recently. "I was once reprimanded very strongly by a playwright because I spent an hour telling him what was wrong with his play. He got sadder and sadder and finally said, 'Would you mind telling me one good thing about the play?' I said: 'I'm terribly sorry, I just assumed that if I was spending so much time talking to you, it would be obvious the play was worth a rewrite. Otherwise, I would have simply said forget it.'"

For her, "writers are causes." Howe, the author of "Pride's Crossing," said, "She's a woman of enormous style, heart, experience, courage, intelligence — a real original."

With other agents, that might be considered an overstatement. With Roberts, the description fits her like one of her large red hats or her first name.

In terms of style, her flamboyance approaches the folkloric. She speaks in a gravelly basso, somewhere between Tallulah Bankhead and Harvey Fierstein. She is short and roly-poly.

Sondheim is Roberts' longest-running client. She met him in the early 1950s when he was writing his first show, "Saturday Night." Many musicals and a Pulitzer Prize later, they are still working together.

"What distinguishes her from other agents," Sondheim said, "is that she cares more about the work than about the contract. She's interested in nurturing the careers of her clients." Her comments are diffuse, he said, and he makes her write them all down.

Her role varies from client to client. With Sondheim, she is more of a sounding board than a catalyst. She would never suggest that he rewrite a lyric, but she might suggest the placement of a song. With "Company," she proposed that "Side by Side by Side" be moved from the second act to the end of the first, to give the lead character more definition. It made a major difference in the musical.

Legend has it that she made a creative contribution to "West Side Story." She denied it, except to say that she gave Arthur Laurents, author of the book, a list of 16 suggestions: "He said 12 of them were idiotic, but four of them might save the show."

Although most of her clients are writers, she also represents a few directors (like Susan



Flora Roberts, a formidable spotter of talent, has guided some big careers.

Stroman) and designers (like Jennifer Tipton).

"I really love most of my clients," she said. "That's a privilege when you're on your own."

With an almost equal passion, she loves horses. She frequently goes to Belmont Park, and she owns a racehorse, Alloway, now retired, and its progeny Beloved B and Flora's Personal Boy. At the track, she plays her favorites, betting on a horse named "Comedy Tonight" because Sondheim wrote a song by that title. Naturally, she bet on it to show, and it did. She also took a fier on horses named Fred Astaire and Curtain Going Up.

When betting on plays and playwrights, she also relies on instinct and on her assessment of form and potential. She said, "I gamble on the theater every day."

She remembered the time Frank Loesser asked her to speak to a composer friend of his who had written, in Loesser's words, a musical that was historical and very uncommercial: "This little man came into my apartment. He banged the piano and sang 'Sit Down, John,' and I got goose bumps." The composer was Sherman Edwards, and the show was "1776." She signed him up im-

mediately but told him his book lacked humor and would have to be rewritten. She led him to Peter Stone (who was not her client), because he shared an interest in history.

In one eventful day, Joseph Papp gave her both Howe and Miguel Pinero, telling her, "I want you to take care of my poets." Pinero, who was a prison inmate before he became a prize-winning playwright, called her Big Lady and told her, as he told others to whom he felt indebted, that if she ever needed protection, "you call me, I break their legs."

ASKED whether she had made any mistakes, Roberts remembered that many years ago Mary Rodgers wanted to write a musical based on Thornton Wilder's "Merchant of Yonkers." Roberts said that was ridiculous, that Wilder was a wonderful playwright and Rodgers should leave his plays alone. Years later, of course, Jerry Herman transformed the play into "Hello, Dolly!"

Before she became an agent, Roberts wanted to be a diva. As a young woman, she studied at the Manhattan School of Music and sang with Schola Cantorum. Arturo Toscanini heard her sing, and he said, she recalled, "Molta musica, but a small voice." In a loud,

hoarse whisper, she said, "I thought I had a very large voice." She switched to torch songs, which she still sings at parties and for friends.

As a music student at Hunter College in the early 1940s, she did volunteer work for the Stage Door Canteen and had an office in a dressing room at the Paramount Theater. In the dressing room next door was Frank Sinatra, at the height of popularity, with bobby soxers swooning in Times Square. Almost every day, Roberts brought back lunch for the two of them, and they became good friends. After Sinatra finished his engagement, he went to Hollywood.

It was many years before they saw each other again. Representing Sondheim, she went to see Sinatra about singing "Send in the Clowns" on an album. "Sinatra threw open the door," she said. "He looked at me and said, 'Hello, kid, are you still on 44th Street?'"

After graduation, she went to work for Kermit Bloomgarden, who was beginning his career as a Broadway producer. She was a secretary, switchboard operator and receptionist. One day, Bloomgarden asked her to read a new play by Lillian Hellman, "Another Part of the Forest." The playwright asked her what she thought of it.

"I was about 20," she said, "and I thought, 'What's the worst thing that can happen? I'll get another job.'" So she told Hellman in detail what was wrong with the play. Hellman said to Bloomgarden: "How much are you paying this girl? Give her a raise. She's right, and I don't think I can fix it."

"I got a raise," said Roberts, "and she tried to fix it."

Roberts found that she liked working with writers and decided to become an agent. To open her office, she raised \$200 each from five people in the theater, including the famously thrifty producer Morton Glick. One of her first clients was Ira Levin, who was then writing for television. She got him a job dramatizing the novel "No Time for Sergeants" for television and then for Broadway, and she found Andy Griffith, who played the leading role. The play was a major hit in the mid-1950s.

In contrast to many other agents, Roberts is not known for her power as a negotiator. Instead, she is a close reader of manuscripts and an astute observer of plays in production.

As the producer Andre Bishop says: "Flora has a lovely way of steering between all the people involved. She supports her clients without taking sides against the others. Part of her aura is that she worked for a producer. When she sees a show, you go out with her afterward and discuss it, and sometimes she will make one blazingly brilliant observation."

Many of the most important play agents have been women, like Audrey Wood in New York and Peggy Ramsay in London. Roberts said she thought the reason was deep in the female psyche: "Plays need nurturing and rewriting. And in the theater, emotions are right out there."



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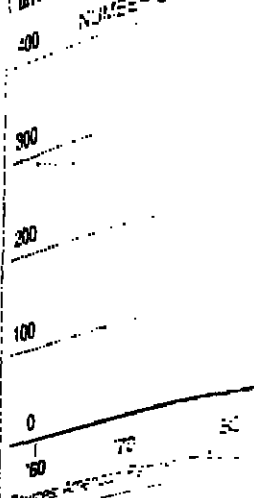
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Doing what others dare

A Tight Market

A Tight Market
Many refiners have been driven out of business.



Oil Refiner H

By Agns Saito

NORCO. Leach tried to buy him off, and his lawyers to try to get him off. But Leach needed him about the monopoly issue, the issue of him being a political energy industry man, and the mention of his name.

But John Stanley, an oil punch, is a hard man. At his sprawling recently, Mr. Stanley, the view from the top



John Stanley in front:

Duisenberg Soof

Bv Jørgen S -

FRANKFURT — Five days into the European Central Bank's public appearance, Duisenberg spoke reassuringly about the outlook.

"Inflation tendencies remain rather subdued," Duisenberg said after the meeting of the central bank's governing council. Money, an indicator of potential inflation, cannot "be called excessive," he said. The growth rate of about 5 percent is "not a problem" because of a "deflation box" that will limit the currency, the euro, on Jan. 1.

Mr. Duisenberg's comments reinforce the view that rates in many of the 11 nations in the large economic zone, including Germany and France, will remain around their current levels. In any case, economists said.

Low lending rates should help the economic recovery recently have begun to

CURRENCY

CURRENCY	
London	100 = 10.00
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Geneva	100 = 10.00
Switzerland	100 = 10.00
Italy	100 = 10.00
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Portugal	100 = 10.00
Greece	100 = 10.00
Turkey	100 = 10.00
Japan	100 = 10.00
India	100 = 10.00
China	100 = 10.00
Thailand	100 = 10.00
Malaysia	100 = 10.00
Singapore	100 = 10.00
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South Korea	100 = 10.00
South Africa	100 = 10.00
Argentina	100 = 10.00
Brazil	100 = 10.00
Chile	100 = 10.00
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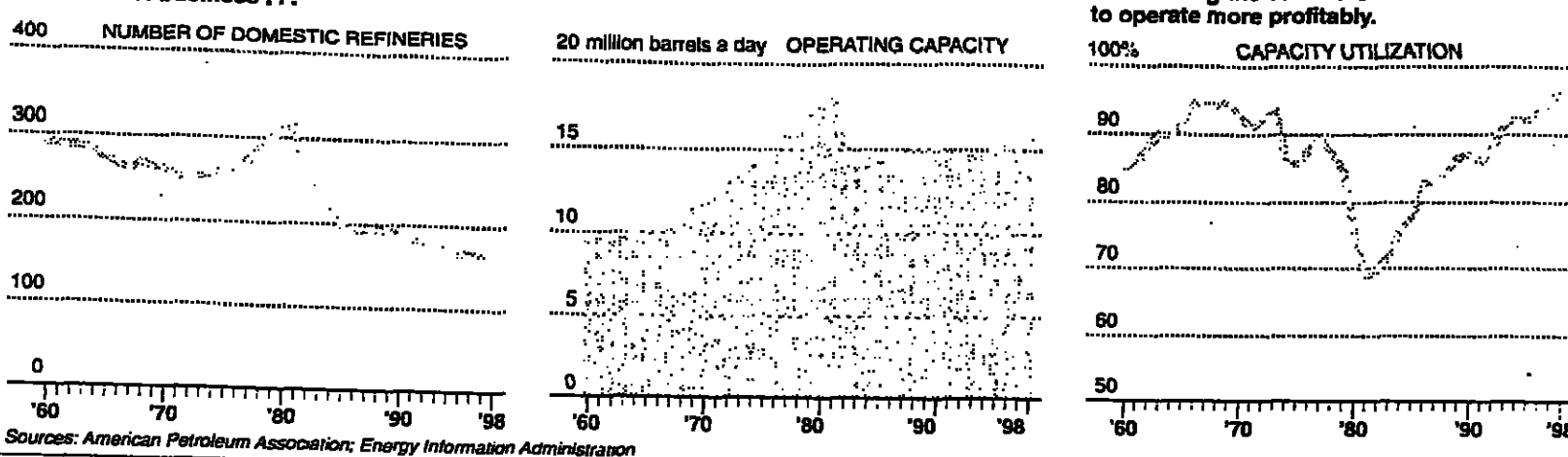
Continued on Page 16

مَكْرًا مِنَ الْإِصْحٰقِ

A Tight Market

For the first time in two decades, it may make sense to add a new American oil refinery.

Many refiners have been driven out of business...



Oil Refiner Hopes to Disprove His Critics, Again

By Agis Salpukas
New York Times Service

NORCO, Louisiana — Rivals have tried to buy him off, creditors have gotten lawyers to try to cow him, investors have needed him about going bankrupt twice, his own son has accused him of being a polluter and many in the energy industry here shake their heads at the mention of his name.

But John Stanley, known as Jack in the oil patch, is a hard man to keep down. At his sprawling oil refinery here recently, Mr. Stanley, 59, showed a visitor the view from the top of the new coking

unit. "There's \$2 billion worth of equipment here," Mr. Stanley exulted. To hear Mr. Stanley tell it, that \$2 billion worth of equipment is his ticket to the heights of the U.S. energy market.

INTERNATIONAL MANAGER

for his privately held TransAmerican Energy Corp. By the end of the summer, the towering coking and cracking units are expected to be going full blast, converting 230,000 barrels (31,080 metric tons) of crude oil a day into kerosene, diesel fuel, heating oil — and 5.5 million gallons (20.9 million liters) of gas-

oline. It will be the largest single addition of new capacity in U.S. domestic refining in two decades.

This could become the jewel in Mr. Stanley's corporate crown. But the Massachusetts native nearly lost the huge complex on the banks of the Mississippi in bankruptcy proceedings that began in 1983 and dragged on for four years.

Throughout that battle, the refinery sat idle — even as Mr. Stanley deflected his creditors' demands to sell it and talked a court into letting him spend \$100 million to keep it in operating condition.

That was not his first brush with financial disaster. Ten years earlier, he had also filed for protection from creditors when the price of ammonia plunged — shortly after he built an ammonia plant. But far from turning Mr. Stanley into the soul of prudence, judiciously building up a cash reserve for the next rainy day, those setbacks only spurred him to take even bigger gambles. Almost immediately after his first bankruptcy, he poured \$800 million into an initial modernization of his refinery here. After the second, he spent six years paying off \$1.37 billion in debt and then put together \$900 million financing — mostly in "junk" bonds — to upgrade the plant to its current state.

"Jack has more perseverance than anyone else I know," said Ed Donohue, TransAmerican's chief financial officer. "He knew the value of the assets."

The question now: Will he strike out yet a third time, seriously damaging the fortune he has re-amassed, or will his latest gamble provide him with even greater riches?

One thing going for him is that the refinery will be one of just a handful in the country that can efficiently process the thick, low-grade oil that is produced in abundance in Mexico and Venezuela and sells for as little as half the price of lighter crudes. That could give Mr. Stanley a big competitive advantage regardless of what happens to oil prices.

Mr. Stanley has always been quick to

spot a money-making opportunity. In college in 1958, he took a job pumping gas in a tough neighborhood of Springfield, Massachusetts, and, after seeing how much cash poured in, leased the station and managed it himself. To save money, he did almost everything —

See REFINERY, Page 17

China Banker Warns Against a Weak Yen

Statement Raises Fears of Yuan Devaluation

Compiled by Our Staff From Reuters

BEIJING — The governor of China's central bank warned Tuesday that a weak yen was having a severe impact on Beijing's foreign trade, focusing attention once again on a Chinese pledge not to devalue its currency.

In an address to a financial seminar, Dai Xianglong, the head of the People's Bank of China, did not explicitly rule out a devaluation of the yuan in response to the tumbling yen.

Mr. Dai simply noted promises that China had made in the past not to devalue the currency as a reaction to the financial crisis in Southeast Asia. He made clear that Beijing expected Tokyo to halt the slide of its currency.

"The economic adjustment in Southeast Asia and the sluggish Japanese economy, especially the depreciation of the Japanese yen," Mr. Dai said, "have had very unfavorable effects on China's imports and exports and inflow of funds."

"The recent sharp depreciation of the yen is detrimental to the financial stability and economic adjustment in east Asia and increases pressure on China's exports," he added.

"We hope the Japanese government will adopt effective measures to stabilize the yen," he said.

Western economists have generally taken at face value Beijing's repeated pledges to hold the line on its currency, despite the threat to its exports posed by cheaper currencies in such countries as Thailand and Indonesia.

But the sliding yen adds an element of uncertainty by introducing a new threat to China from Japan, whose economy is by far the largest in Asia.

Mr. Dai did not reveal any fresh concern over the outlook for the Chinese economy, expressing optimism that the government would achieve its target of 8 percent economic growth this year.

Nor did Mr. Dai suggest that the yuan is in danger.

"China's international balance of payments is good," he said. "The yuan remains stable."

But economists say China's export-driven economy will not be able to meet government targets of 8 percent growth unless the authorities devalue the currency to bolster competitiveness against Japan and such other nations as Malaysia and South Korea, which have been forced to devalue.

The deputy foreign trade minister, Sun Zhenyu, said China's exports in the first quarter already demonstrated the strain of the regional crisis, with exports to members of the Association of South East Asian Nations falling 9.8 percent, exports to Japan off 3.1 percent and exports to South Korea down 24.5 percent.

Analysts grew suspicious of China's ability to defend the yuan after the central bank delayed releasing foreign-exchange reserve levels for April.

"Since March, the People's Bank of China has not released the foreign-exchange reserves figure," an analyst at ABN-AMRO Bank of the Netherlands said. "The market is worried that the level has dropped."

A central bank official said the data were not released because the figure had not changed drastically, "so we saw no need to report it."

A yuan devaluation could spark a vicious new round of currency depreciations in Asia and ultimately spread the regional economic crisis to other areas of the world. (Reuters, AFP)

Asia Slump Hits Oil Demand

LONDON — The Asian financial crisis is hitting world oil demand harder than expected and is spoiling output-cutting efforts to bolster low crude prices, the International Energy Agency said Tuesday.

In its monthly Oil Market Report, the organization said its projection for Asian demand this year was running 750,000 barrels (101,350 metric tons) per day lower than first estimated.

"Weaker-than-expected demand data for a number of Asian countries indicate that the recent financial crises may be having a more marked and longer-term effect on demand than previously thought," the Paris-based body said.

"The anticipated growth rate for the region of 4.8 percent has been

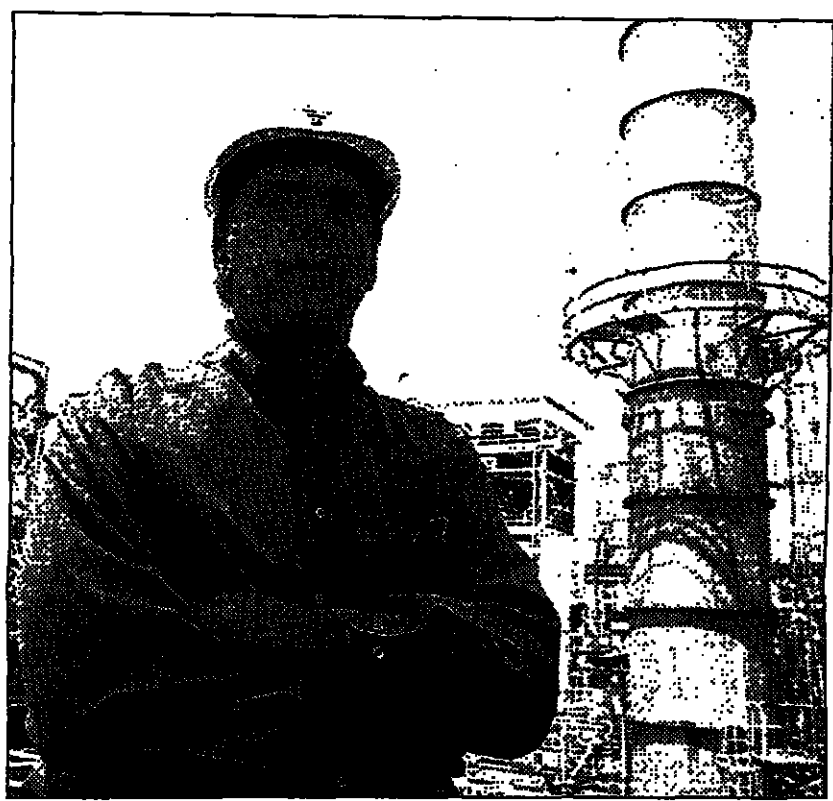
adjusted downwards to 0.8 percent," it added.

Falling demand and high stocks in the West have kept a lid on prices despite unprecedented cooperation by producers to withdraw supplies.

Global oil demand will rise 1.2 million barrels a day this year, the International Energy Agency said for a total new estimate of daily consumption at 75 million barrels.

Growth in demand in the second quarter is expected to slow to 1 percent from 1.7 percent in the first quarter, it added.

Only Chinese consumption, which the group said would increase 7.7 percent this year, will prevent Asian oil demand from falling from last year. Excluding China, regional demand is likely to fall by about 1 percent.



John Stanley in front of his refinery, which reopens this month.

Duisenberg Soothes Fears on Inflation

By John Schmid
International Herald Tribune

FRANKFURT — Wim Duisenberg, nine days into his job as head of the European Central Bank, used his debut public appearance in the role Tuesday to speak reassuringly of Europe's inflation outlook.

"Inflation tendencies so far seem to remain rather subdued," Mr. Duisenberg said after the inaugural gathering of the central bank's 17-member governing council. Money supply, a leading indicator of potential inflation, similarly cannot "be called excessive" with a growth rate of about 5 percent in the 11-nation bloc that will launch the single currency, the euro, on Jan. 1.

Mr. Duisenberg's soothing comments reinforce the view that interest rates in many of the 11 euro countries, notably the large economies of Germany and France, will remain low at around their current levels for the near future, economists said.

Low lending rates should help propel the economic recoveries that only recently have begun to take root in those

nations, economists said. The policy-setting council of the Bundesbank meets Wednesday.

Alison Cottrell, economist at PaineWebber International in London, said, "For the big economies like Italy, France, Germany and Spain, the numbers like headline inflation are impressively well behaved."

The calm start of the new bank's work clashes sharply with the tumult that accompanied its birth in May, when European Union politicians cut controversial political deals over the leadership of the bank, which will serve as linchpin of the common currency project.

Appearing under the central bank's logo — an "E" set in a familiar blue EU circle of 12 stars — Mr. Duisenberg said tedious nuts-and-bolts "organizational matters" like staff salaries dominated the first week of work in the Eurotower in Frankfurt. "After nine days, so far, so good," he said.

Shattering the calm briefly if unintentionally, Mr. Duisenberg sent the price of gold into a tailspin. Bullion prices plunged 1 percent after the central banker announced that gold reserves

likely would account for no more than "10 to 15 percent" of the new bank's reserves. Gold fell by \$3.10 to close at \$295.30 an ounce in New York after his remarks.

The price of gold, which has been battered for months, recovered recently on speculation that the bank's gold holdings would comprise well over 20 percent of its assets. Mr. Duisenberg's remark reawakens fears among investors that central banks might swamp international markets by dumping their unused gold reserves.

For months, investors have been playing a guessing game about where pan-European interest rates will converge when the euro unites the 11 nations into a single economy in January. Even before Mr. Duisenberg spoke Tuesday, many economists have begun revising their forecasts downward, many of them calling for an interest rate intersection below 4 percent.

The process of interest rate convergence is running smoothly, Mr. Duisenberg said. The differentials are "not a major issue of concern for the remaining months of the year," he said.

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	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
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Canada	0.70	0.50	0.65	0.65	0.65	0.65	0.65	0.65	0.65
France	1.00	0.66	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Germany	1.00	0.63	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Italy	1.00	0.60	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Japan	1.00	0.007	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Netherlands	1.00	0.63	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Spain	1.00	0.16	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sweden	1.00	0.13	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Switzerland	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
UK	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00
US Dollar	1.00	0.75	1.00	1.00	1.00	1.00	1.00	1.00	1.00

Libor-Libor Rates									
	1-month	3-month	6-month	9-month	12-month	15-month	18-month	21-month	24-month
US Dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Netherlands	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

Key Money Rates									
	1-month	3-month	6-month	9-month	12-month	15-month	18-month	21-month	24-month
US Dollar	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
UK	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Germany	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
France	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Italy	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Japan	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Netherlands	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Spain	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Sweden	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Switzerland	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50
Other	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50	5.50

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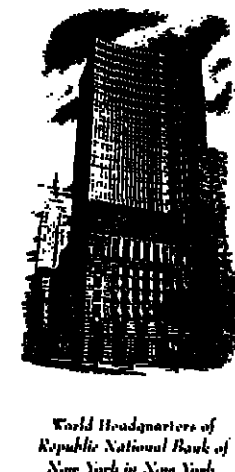
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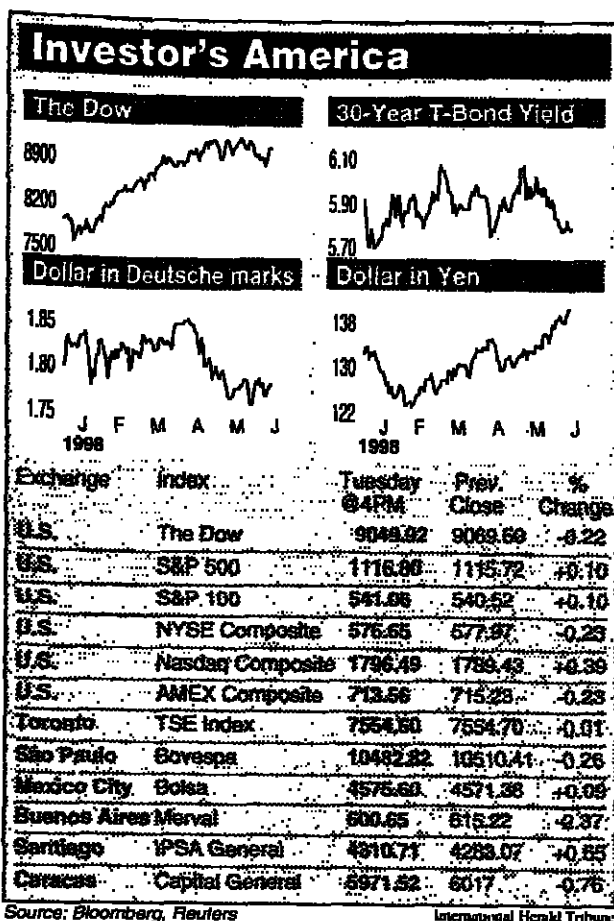


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THE AMERICAS



Very briefly:

- AT&T Corp.'s customers will be able to pay their bills over the Internet this year, using CheckFree Corp.'s electronic commerce service. Financial terms were not disclosed.
- The American Stock Exchange offered to merge with the Philadelphia Stock Exchange. Terms were not disclosed.
- Greyhound Lines Inc.'s passenger ticket sales rose 8.9 percent in May, to \$45.1 million, over May 1997. The number of passengers increased to 1.32 million from 1.27 million.
- International Data Corp., a market researcher, cut its growth forecast for personal computer shipments worldwide in the second quarter to 9 percent from 10 percent.
- Wal-Mart Stores Inc. persuaded a judge to order PT Multipolar Corp., owned by Lippo Group of Indonesia, to stop its lawsuit in Jakarta over a failed joint venture while the companies arbitrate their dispute in the United States.
- Northern Telecom Ltd., a phone-equipment maker, and Microsoft Corp. have teamed up to sell modems and software to phone companies to provide high-speed Internet access.
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Intel Suit: An Odd and Difficult Case to Prove

By Michael M. Weinstein
New York Times Service

NEW YORK — Antitrust laws are designed to protect an industry from monopolists that use predatory or other illegal tactics to extinguish rivals. The odd feature of the antitrust complaint brought by the Federal Trade Commission against Intel Corp. is that it accuses the chipmaker of victimizing putative rivals that are also customers.

In separate instances involving Intergraph Corp., Compaq Computer Co. and Digital Equipment Corp., Intel is accused of withholding technical data about its processors from companies that were designing computers around Intel chips.

What will make the government's case difficult is that only one of those companies — Digital — ever seriously competed with Intel. What is more, the information that Intel freely acknowledges it withheld from those companies had no direct bearing on any area in which they competed with Intel.

The question, antitrust experts say, is whether the commission can

create a strong factual case for its accusations. Given the oddity of the charges, that task will not be easy.

Intel controls more than 80 percent of the market for the microprocessor brains of computers. When it designs a new chip, Intel gives advance information to its

customers — computer manufacturers — to give them time to design machines that will run the next generation of Intel's processors.

Intel acknowledges that it withheld vital information from Intergraph, Digital and Compaq, with which it was engaged in continuing patent disputes, but it says that it was not about to share intellectual property with customers that were suing it over intellectual property.

The company argues that it is not compelled by antitrust laws to reveal proprietary information to customers that could exploit that information in subsequent patent disputes.

The commission says that while the three companies may have indeed been customers, they were

also rivals and that it is illegal for a monopolist to exploit its market power to force them to cave in to Intel's patent demands.

Intel insists that its hardball tactics were in pursuit of business objectives that were perfectly legitimate.

The dispute with Intergraph, for example, was a negotiation between buyer and seller. Intel wanted a free license to use Intergraph's chip technology. Intergraph wanted proprietary information.

Intel asserts that the government has no business intruding on this negotiation.

Carl Shapiro, an economics consultant to Intel from the University of California at Berkeley, acknowledges that there might be areas of rivalry — Digital, for example, produces a microprocessor that competes with Intel's Pentium chips in a limited market — but argues that the behavior under challenge by the commission is overwhelmingly limited to the relationship between the chipmaker and its customers.

William Baer, the director of the trade commission's Bureau of

Competition, says that it is unlawful for monopolists to injure rivals without an efficiency-enhancing business justification — for instance, resulting in lower prices or better products.

In fact, Mr. Baer says, Intel's decision to punish the three manufacturers was done only to compel the companies to settle their patent dispute on Intel's terms.

But to win its case, the commission must show that Intel not only hurt rivals, but that the three companies are in fact rivals, but that it hurt competition in the microchip industry.

That could mean proving that Intel's behavior drove its rivals into extinction. It could mean showing that Intel's behavior persuaded rivals to spend less on research and development, thereby undermining their ability to innovate as fast as Intel. Or it could mean showing that Intel's behavior convinced actual and potential chipmakers that they could not survive because any computer company that needed to do business with Intel would be punished if it also bought chips from Intel's rivals.

G-7 Concern Gives Yen A Small Lift

Compiled by Our Staff From Dispatches

NEW YORK — The dollar slipped against the yen Tuesday amid concern that Asia's worsening economic slowdown would compel officials from the Group of Seven to discuss bolstering the yen at a two-day meeting in Paris.

Officials declined to comment on the discussions, which they had said would focus on Russia's economic problems.

"Everyone's a little cautious about buying the dollar right now because of all these political events," said Jeff Berger, director of foreign exchange and commodities at AlliedSignal Inc. "I think the

FOREIGN EXCHANGE

yen will get a little stronger before the dollar resumes its rise."

Earlier, the dollar surged against the yen as the market continued to test the resolve of the Bank of Japan, but nervousness about possible central bank intervention limited gains.

"If they think 140.00 yen is too weak, they have to intervene in the market," said Takanobu Igarashi, senior economist at Sanwa Bank.

But Mr. Igarashi said intervention would only buy Japan time. "To change the trend in such a weak yen you need fundamental change in Japanese policies," he said.

The dollar was at 140.26 yen in late trading, down from 140.67 yen. The dollar made limited gains against the mark after a mixed batch of economic data came out of Germany. While the unemployment rate in May slid below 11 percent for the first time in 2 years, industrial production data for April was weaker than many analysts expected.

The pound was at 1.7800 Deutsche marks, up from 1.7795 DM. But it fell to 1.4760 Swiss francs from 1.4795 francs. The dollar was unchanged at 5.9685 francs.

The pound was at \$1.6365, up from \$1.6340. Japanese officials have said for months that they were concerned about the decline of the yen and were prepared to take action if it fell too far, and Finance Minister Hiko Matsunaga said Monday that he had strong concerns about the yen weakening beyond 140 yen per dollar.

The Bank of Japan more recently intervened to buy yen in early April, spending more than \$20 billion in the process.

(Bloomberg, Bridge News)

Greenspan Jitters Put Pressure on Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — Blue-chip stock prices slipped Tuesday amid nervousness over what Alan Greenspan, the Federal Reserve Board chairman, might say about interest rates when he speaks before a congressional committee Wednesday.

Arthur Hogan, chief market analyst at Jefferies & Co. in Boston, said the stock market generally did not expect any surprises from Mr. Greenspan, but he added that volume was low because no one was interested in taking chances.

"A lot of people are probably holding their bullets until Greenspan talks," Mr. Hogan said.

The Dow Jones industrial average finished 19.68 points lower, at 9,049.92.

The Standard & Poor's 500 Index gained 2.69 points, to 1,118.41. The Nasdaq composite index, heavy in technology issues, rose 12.99 points, to 1,800.76.

Bond traders also hesitated taking a position before Mr. Greenspan's testimony.

The benchmark 30-year Treasury bond fell 1/32, to 104 26/32, leaving the yield unchanged at 5.79 percent.

A report showing an unexpected 0.6 percent drop in wholesale inventories in April did little to move the bond market.

Offsetting some of the losses among stocks were computer shares and such drugmakers as Pfizer, which are expected to show the best earnings gains in a year of slowing profit growth.

"If you can pick those companies whose earnings are going to really

accelerate, you'll do all right," said John Kornitzer, president of Kornitzer Capital Management in Shawnee Mission, Kansas.

But Joseph DeMarco, head trader at HSBC Asset Management Inc. said, "We're on the edge of earnings releases again. If there is any Asian impact, this is when we'll really start to see it."

Merck benefited from a study showing that drugs made by the company to treat high blood pressure increased survival rates if given to patients immediately following a heart attack.

Microsoft gained 1 1/2, to 87 1/16,

after it said it would team up with Northern Telecom, North America's second-biggest phone-equipment maker, to sell modems and software to phone companies that want to provide high-speed Internet access. Nortel rose 1 5/16, to 64 1/4.

Ascend Communications gained 2, to 49, after Standard & Poor's said it was adding the maker of computer networking products to the S&P 500. Ascend will replace Digital Equipment in the S&P 500 after the

close of trading Thursday, when Compaq Computer is expected to complete its acquisition of Digital.

Oil shares fell for a third day, after the International Energy Agency cut its estimate of oil demand. Exxon dropped 1 1/4, to 69 1/16, and Chevron fell 3/4, to 30 3/4.

U.S. Bancorp said it would purchase \$2.5 billion of its stock over two years, or 8.4 percent. The bank's share price rose 5/16, to 40 5/16. (Bloomberg, Bridge News)

Strike Shuts Down 5 GM Assembly Plants

The Associated Press

DETROIT — A strike at a General Motors Corp. stamping factory closed five North American assembly plants, idling more than 15,000 workers Tuesday and was expected to spread unless a settlement was reached soon.

Plants in Michigan, Kansas and Ohio and Ontario were shut because of the strike by nearly 3,400 workers at the Flint Metal Center, just north of Detroit. The stamping plant makes hoods, fenders, doors and

other sheet-metal parts. Negotiators for GM and the United Auto Workers union resumed talks Tuesday as the strike entered its fifth day. The walkout is largely over work rules and staffing levels.

The automaker, meanwhile, began production of a redesigned full-size pickup Monday at its Oshawa, Ontario, truck plant, according to an industry source who spoke on condition of anonymity. The pickup is GM's best-selling vehicle and among its most profitable.

Anti-Virus Software Company Sold

Bloomberg News

SANTA CLARA, California — Network Associates Inc. agreed Tuesday to buy Dr. Solomon's Group PLC, Britain's No. 1 maker of anti-virus software, for \$642 million in stock. Network Associates will offer 0.82875 shares for each American depositary share of Dr. Solomon's. The transaction values each Dr. Solomon's ADS at \$34.81, an 8.4 percent premium on its closing price of \$32.125 Monday.

The Trib Index				
Jan. 1, 1982 = 100	Level	Change	% Change	Year to date % Change
World Index	195.76	-0.08	-0.04	+13.74
Regional Indexes				
Asia/Pacific	81.91	+0.31	+0.38	-14.74
Europe	238.93	-1.29	-0.54	+23.77
N. America	249.10	+1.48	+0.60	+15.33
S. America	135.43	-1.61	-1.17	-11.29
Industrial Indexes				
Capital goods	242.20	+1.37	+0.57	+17.25
Consumer goods	232.51	+1.76	+0.76	+10.86
Energy	212.87	-3.49	-1.61	+9.19
Finance	141.74	-0.26	-0.18	+15.27
Manufacturing	151.31	-2.38	-1.55	+0.95
Materials	211.33	-2.18	-1.02	+26.36
Service	206.83	-0.50	-0.24	+18.66
Utilities	170.57	-2.37	-1.37	+2.22

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investible stocks from 25 countries.

Compiled by Bloomberg News

U. S. STOCK MARKET DIARY

June 9, 1998

High Low Last Chg. Opt

Dow Jones 9049.92 -19.68 -0.22

S&P 500 1118.41 +2.69 +0.24

Nasdaq 1800.76 +12.99 +0.72

NYSE Composite 677.97 -0.23

AMEX Composite 715.23 -0.23

TSE Index 7554.70 -0.01

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Mexico City Bolsa 4575.60 -0.08

Buenos Aires Merval 500.65 -0.37

Santiago IPSA General 4210.71 -0.25

Caracas Capital General 6017 -0.76

Source: Bloomberg, Reuters

International Herald Tribune

Very briefly:

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INTERNATIONAL FUTURES

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EUROPE

Bolloré Goes After Another Jewel: France's Bouygues

By Marthe Fourcade
Bloomberg News

PARIS — The French businessman Vincent Bolloré has made his fortune snatching other families' corporate jewels.

He is a bit like Little Red Riding Hood and the Big Bad Wolf, all in one person," said Christine Dore, who worked with Mr. Bolloré for five years.

The young Vincent rescued his family's business from bankruptcy in 1981 and turned it into a conglomerate with interests ranging from Bible paper to shipping to rubber plantations. The growth came from gobbling other families' groups, such as Delmas Vieilleux SA, a maritime-

transport company, and Groupe Rivaud, which included a bank, an airline, real estate and rubber plantations in Asia.

Now Mr. Bolloré, 46, is going after one of France's biggest family-run companies, Bouygues SA. Bouygues is Europe's No. 1 construction company and has interests in communications, oil and utilities. With a market capitalization of 91 billion francs (\$15.2 billion), it is four times as big as Bolloré Technologies SA.

The operation could turn Mr. Bolloré into one of France's most important businessmen or deal a serious blow to his credibility in a country that has not entirely come to terms with U.S.-style capitalism.

A showdown is expected at

Bouygues' annual meeting Wednesday. Mr. Bolloré, a board member, has refused to approve Bouygues' 1997 accounts. "We usually ignore those meetings but this time we'll all be waiting with bated breath," said Marie-Christine Linvée, an analyst at Transbourse.

For the first time, Mr. Bolloré does not have the support of his mentors. He uses Antoine Bernheim of Lazard Frères & Co., and Ambroise Roux, the patriarch of the French business establishment, as sounding boards to test his plans and ensure they do not ruffle France's close-knit business community.

He was warned to stay away from Bouygues, where employee loyalty runs deep. Bouygues' employees

have 9.3 percent of the company's voting rights. Mr. Bolloré went ahead anyway. With Bouygues, he has already made a potential capital gain of 1.5 billion francs.

Mr. Bolloré has dealt with belligerent employees before. He is known for trying to save the jobs of blue-collar workers while fiercely cutting into the ranks of managers. When he bought back the family business, he persuaded workers to take a 15 percent pay cut.

"He just has fabulous charm," said Tristan Vieilleux, who unsuccessfully fought Mr. Bolloré to retain control of Delmas-Vieilleux. Mr. Bolloré holds more than 10 percent of Bouygues, which makes him the company's biggest share-

holder after the family. That family has 33.3 percent of the voting rights — a blocking minority — if employees side with it.

"This type of transaction isn't a highway, it's more like a bumpy country road," Mrs. Dore said. "You can't be in a rush, and that's Bolloré's biggest quality — he knows how to wait."

Mr. Bolloré grew up in Paris, where he rubbed elbows with the French business elite. Mr. Bernheim taught him how to control of his expanding empire through holding companies. Baron Edmond de Rothschild sold him the Bolloré paper business — for a symbolic 4 francs — after his bank had failed to turn it around.

Drop in German Jobless Rate Dismissed as Artificial

By John Schmid
International Herald Tribune

FRANKFURT — Germany confirmed Tuesday that its unemployment rate fell sharply in May, but economists warned that the boom in job creation was artificial, created mostly by government programs.

The government reported that unemployment fell by 254,000 in May, to 4,197,000 people, lowering the unemployment rate to 10.9 percent from 11.4 percent in April.

The fall in unemployment came as little surprise because Chancellor Helmut Kohl, who is struggling to revive his standing in the polls before the Sept. 27 election, broke the embargo on the data last week and announced approximate figures showing a job-market improvement that had eluded his government for several years.

Mr. Kohl wasted no time in thrusting the news into the spotlight again Tuesday, saying "The recovery has arrived in the job market."

We have a turnaround." But economists said much of the jobs boom had been engineered after Mr. Kohl's government lavished new funds in taxpayer-funded job-creation and retraining programs.

"There are real jobs in the economy, but not as many as in the statistics," said Adolf Rosenstock, an economist at Frankfurt Industrial Bank of Germany.

After throttling jobs-related spending to control German deficits in 1997, the year that European Union nations needed to meet strict single-currency benchmarks for their budgets, Mr. Kohl showered nearly 5 billion Deutsche marks (\$2.8 billion) in additional funds this year on job-creation programs.

The fresh funds bring government spending on make-work programs in 1998 to 11.6 billion DM, said the president of the Labor Office, Bernhard Jagoda. Most of the funds are earmarked for Eastern Germany, where they accounted for nearly the entire drop of 97,000

people from the jobless rolls in May, leaving 1.37 million people, or 18.1 percent, out of work. The April rate was 19.4 percent.

Without extra state spending, East German unemployment would have stagnated in May, Mr. Jagoda said. The Labor Ministry has estimated it can create additional 100,000 state-sponsored jobs this year.

In Western Germany, Mr. Jagoda credited private-sector activity for most of the 127,000 drop in unemployment, which lowered the rate to 9.1 percent from 9.5 percent. In reunified Germany, this is the biggest decrease in unemployment in any May, he said.

The Labor Office said that adjusting for seasonal factors, unemployment showed a strong decline of 60,000, an improvement that was at the high end of expectations. After seasonal adjustments, the unemployment rate fell to 11.2 percent from 11.3 percent.

Separately, the French government said consumer confidence had

finally rebounded, reflecting gathering momentum in an economic upturn. The national statistics office Insee said the consumer-confidence index rose to minus 16 in May from minus 19 in April, a three-year low.

Mr. Kohl's campaign managers said Germany's economic recovery, which grew in the first quarter at its fastest pace since 1990, had become a new "pillar" in the chancellor's political campaign for national elections in September. Mr. Kohl predicted that gross domestic product

would expand at a rate "nearer 3 percent than 2.5 percent" in 1998. Other government estimates have run from 2.7 percent to 2.8 percent.


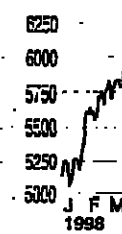
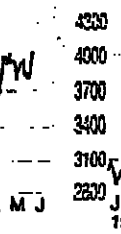
With Europe's biggest economy moving at a faster clip, Bayerische Motoren Werke AG said Tuesday that it had eliminated its annual monthlong summer shutdown in its flagship Munich plant in order to meet demand for its 3-series car models. At its Regensburg factory, the summer shutdown has been reduced to one week.

IHT Covers 6 More Markets

The World Stock Markets table has been expanded this week to include daily share prices from six more markets: Athens, Buenos Aires, Istanbul, Prague, Shenzhen and Tel Aviv. The table now tracks nearly 950 stocks from 36 countries around the world.

As with the current share listings, the new stocks have been selected because they have the highest capitalization among actively traded shares within their respective markets. Only stocks that can be bought and sold by foreign investors are listed.

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
				
Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	1,206.51	1,213.23	-0.55
Brussels	BEL-20	3,335.22	3,334.01	+0.04
Frankfurt	DAX	5,760.03	5,779.08	-0.33
Copenhagen	Stock Market	751.92	747.41	+0.60
Helsinki	HEX General	4,914.37	4,962.74	-0.97
Oslo	OBX	704.30	703.10	+0.19
London	FTSE 100	6,019.60	6,037.80	-0.38
Madrid	Stock Exchange	877.16	885.56	-2.05
Milan	MIBTEL	24168	24455	-1.17
Paris	CAC 40	4,201.86	4,197.91	+0.08
Stockholm	SX 16	4,338.26	4,306.83	+0.66
Vienna	ATX	1,589.16	1,587.83	+0.08
Zurich	SPI	4,851.56	4,868.57	-0.37

Source: Telekurs

International Herald Tribune

Source: Reuters

Very briefly:

- Thistle Hotels PLC has been approached by a British hotel company, a U.S. real estate investment trust and one other potential buyer, a source said, in what could lead to an offer worth at least £1.23 billion (\$2 billion).
- Deutsche Telekom AG wants to raise to 47.26 Deutsche marks (\$26.64) from 20.65 DM the fee it charges competitors for using its phone connections to homes and businesses.
- LVHM Moët Hennessy Louis Vuitton SA's sales at its duty-free unit DFS Group Ltd. fell 25 percent to 30 percent in the first five months of this year against the like period last year, and overall first-quarter sales for the luxury goods company fell 6 percent to 10.23 billion francs (\$1.72 billion).
- BG Bank A/S and Realkredit Danmark A/S are in talks to combine businesses by creating a joint holding company.
- Philips Semiconductors, a subsidiary of Philips Electronics NV, plans to double sales of chips within four years.
- RAO Gazprom has proposed that Russia sell 2 percent to 3 percent of the oil giant to a strategic partner for \$1 billion. Gazprom, which is 40 percent owned by the government, already had two strategic partners, Royal Dutch/Shell Group and Ente Nazionale Idrocarburi of Italy.

WORLD STOCK MARKETS

Tuesday, June 9
Daily prices in local currencies.

Tel Aviv

High Low Close Prev.

Amsterdam

AEX Index: 1206.51

Prev.: 1213.23

ABN-AMRO

49.20 48.50 47.20 47.10

Alm

14.70 14.60 14.50 14.40

Alm Invest

64.50 63.50 62.50 62.40

Alm Invest

14.70 14.60 14.50 14.40

ASR Ver.

72.50 71.50 70.50 70.40

Bank

89.50 88.50 87.50 87.40

Bank West

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NASDAQ

Tuesday's 4 P.M.									
The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.									
The Associated Press									
Symbol	Company	High	Low	Open	Close	Volume	Price	Change	Volume
IBM	International Business Machines Corp.	125.25	124.75	125.00	124.75	1,200,000	124.75	-0.25	1,200,000
MSFT	Microsoft Corp.	55.25	54.75	55.00	54.75	1,100,000	54.75	-0.25	1,100,000
GOOGL	Google Inc.	275.00	270.00	275.00	270.00	500,000	270.00	-5.00	500,000
AMZN	Amazon.com Inc.	115.00	110.00	115.00	110.00	400,000	110.00	-5.00	400,000
ORCL	Oracle Corp.	45.00	44.50	45.00	44.50	300,000	44.50	-0.50	300,000
CRM	Salesforce.com Inc.	105.00	100.00	105.00	100.00	200,000	100.00	-5.00	200,000
INTC	Intel Corp.	35.00	34.50	35.00	34.50	1,500,000	34.50	-0.50	1,500,000
HPQ	Hewlett-Packard Co.	30.00	29.50	30.00	29.50	1,000,000	29.50	-0.50	1,000,000
QCOM	Qualcomm Inc.	65.00	64.50	65.00	64.50	800,000	64.50	-0.50	800,000
TXN	TXU Corp.	25.00	24.50	25.00	24.50	600,000	24.50	-0.50	600,000
WMT	Walmart Inc.	45.00	44.50	45.00	44.50	900,000	44.50	-0.50	900,000
DIS	Walt Disney Co.	35.00	34.50	35.00	34.50	700,000	34.50	-0.50	700,000
BA	Boeing Co.	75.00	74.50	75.00	74.50	500,000	74.50	-0.50	500,000
GE	General Electric Co.	30.00	29.50	30.00	29.50	1,100,000	29.50	-0.50	1,100,000
MS	Morgan Stanley	45.00	44.50	45.00	44.50	800,000	44.50	-0.50	800,000
JP	JP Morgan Chase & Co.	35.00	34.50	35.00	34.50	1,200,000	34.50	-0.50	1,200,000
WFC	Wells Fargo Bank	25.00	24.50	25.00	24.50	900,000	24.50	-0.50	900,000
C	Citigroup Inc.	20.00	19.50	20.00	19.50	1,000,000	19.50	-0.50	1,000,000
GS	Goldman Sachs	45.00	44.50	45.00	44.50	700,000	44.50	-0.50	700,000
MSFT	Microsoft Corp.	55.25	54.75	55.00	54.75	1,100,000	54.75	-0.25	1,100,000
GOOGL	Google Inc.	275.00	270.00	275.00	270.00	500,000	270.00	-5.00	500,000
AMZN	Amazon.com Inc.	115.00	110.00	115.00	110.00	400,000	110.00	-5.00	400,000
ORCL	Oracle Corp.	45.00	44.50	45.00	44.50	300,000	44.50	-0.50	300,000
CRM	Salesforce.com Inc.	105.00	100.00	105.00	100.00	200,000	100.00	-5.00	200,000
INTC	Intel Corp.	35.00	34.50	35.00	34.50	1,500,000	34.50	-0.50	1,500,000
HPQ	Hewlett-Packard Co.	30.00	29.50	30.00	29.50	1,000,000	29.50	-0.50	1,000,000
QCOM	Qualcomm Inc.	65.00	64.50	65.00	64.50	800,000	64.50	-0.50	800,000
TXN	TXU Corp.	25.00	24.50	25.00	24.50	600,000	24.50	-0.50	600,000
WMT	Walmart Inc.	45.00	44.50	45.00	44.50	900,000	44.50	-0.50	900,000
DIS	Walt Disney Co.	35.00	34.50	35.00	34.50	700,000	34.50	-0.50	700,000
BA	Boeing Co.	75.00	74.50	75.00	74.50	500,000	74.50	-0.50	500,000
GE	General Electric Co.	30.00	29.50	30.00	29.50	1,100,000	29.50	-0.50	1,100,000
MS	Morgan Stanley	45.00	44.50	45.00	44.50	800,000	44.50	-0.50	800,000
JP	JP Morgan Chase & Co.	35.00	34.50	35.00	34.50	1,200,000	34.50	-0.50	1,200,000
WFC	Wells Fargo Bank	25.00	24.50	25.00	24.50	900,000	24.50	-0.50	900,000
C	Citigroup Inc.	20.00	19.50	20.00	19.50	1,000,000	19.50	-0.50	1,000,000
GS	Goldman Sachs	45.00	44.50	45.00	44.50	700,000	44.50	-0.50	700,000

Thais Read Sale of 20% Of Airline

BANGKOK — Thai Airways International Ltd. is planning to sell a 20% stake in the airline to a consortium of Thai and foreign investors, a move that could significantly reduce the government's ownership of the carrier.

The airline, which is the national flag carrier of Thailand, has been a major source of revenue for the government. It has a fleet of 25 aircraft and operates routes to 45 cities in 25 countries.

The sale is part of a broader privatization program initiated by the Thai government. The airline's shares are currently listed on the Bangkok Stock Exchange.

The consortium, which is led by a Thai businessman, has agreed to purchase 20% of the airline for \$1.5 billion. The government will retain a 40% stake, while the remaining 40% will be held by the public.

The sale is expected to be completed by the end of the year. The airline's financial performance has been mixed in recent years, with a decline in passenger numbers and a rise in operating costs.

REFINERY: Continued from page 15

reporting a 10% increase in output. The refinery is a joint venture between the Thai government and a foreign company.

The refinery is located in a strategic area and is expected to play a key role in the country's energy sector. It will be able to process a wide range of crude oil into refined products.

The government has been working to improve the efficiency of the refinery and to attract foreign investment. The sale of the refinery is a key part of this effort.

ALLIES: Continued from page 15

Germany's support for the coalition is a key factor in the success of the operation. The coalition is a joint effort between the United States and several other countries.

The operation is aimed at disrupting the flow of weapons and other supplies to the rebels. It is expected to be a major blow to the rebel forces.

The coalition has been working closely with the Thai government to coordinate the operation. The Thai government has provided valuable intelligence and logistical support.

NYSE

Tuesday's 4 P.M. Close									
(Continued)									
Symbol	Company	High	Low	Open	Close	Volume	Price	Change	Volume
IBM	International Business Machines Corp.	125.25	124.75	125.00	124.75	1,200,000	124.75	-0.25	1,200,000
MSFT	Microsoft Corp.	55.25	54.75	55.00	54.75	1,100,000	54.75	-0.25	1,100,000
GOOGL	Google Inc.	275.00	270.00	275.00	270.00	500,000	270.00	-5.00	500,000
AMZN	Amazon.com Inc.	115.00	110.00	115.00	110.00	400,000	110.00	-5.00	400,000
ORCL	Oracle Corp.	45.00	44.50	45.00	44.50	300,000	44.50	-0.50	300,000
CRM	Salesforce.com Inc.	105.00	100.00	105.00	100.00	200,000	100.00	-5.00	200,000
INTC	Intel Corp.	35.00	34.50	35.00	34.50	1,500,000	34.50	-0.50	1,500,000
HPQ	Hewlett-Packard Co.	30.00	29.50	30.00	29.50	1,000,000	29.50	-0.50	1,000,000
QCOM	Qualcomm Inc.	65.00	64.50	65.00	64.50	800,000	64.50	-0.50	800,000
TXN	TXU Corp.	25.00	24.50	25.00	24.50	600,000	24.50	-0.50	600,000
WMT	Walmart Inc.	45.00	44.50	45.00	44.50	900,000	44.50	-0.50	900,000
DIS	Walt Disney Co.	35.00	34.50	35.00	34.50	700,000	34.50	-0.50	700,000
BA	Boeing Co.	75.00	74.50	75.00	74.50	500,000	74.50	-0.50	500,000
GE	General Electric Co.	30.00	29.50	30.00	29.50	1,100,000	29.50	-0.50	1,100,000
MS	Morgan Stanley	45.00	44.50	45.00	44.50	800,000	44.50	-0.50	800,000
JP	JP Morgan Chase & Co.	35.00	34.50	35.00	34.50	1,200,000	34.50	-0.50	1,200,000
WFC	Wells Fargo Bank	25.00	24.50	25.00	24.50	900,000	24.50	-0.50	900,000
C	Citigroup Inc.	20.00	19.50	20.00	19.50	1,000,000	19.50	-0.50	1,000,000
GS	Goldman Sachs	45.00	44.50	45.00	44.50	700,000	44.50	-0.50	700,000
MSFT	Microsoft Corp.	55.25	54.75	55.00	54.75	1,100,000	54.75	-0.25	1,100,000
GOOGL	Google Inc.	275.00	270.00	275.00	270.00	500,000	270.00	-5.00	500,000
AMZN	Amazon.com Inc.	115.00	110.00	115.00	110.00	400,000	110.00	-5.00	400,000
ORCL	Oracle Corp.	45.00	44.50	45.00	44.50	300,000	44.50	-0.50	300,000
CRM	Salesforce.com Inc.	105.00	100.00	105.00	100.00	200,000	100.00	-5.00	200,000
INTC	Intel Corp.	35.00	34.50	35.00	34.50	1,500,000	34.50	-0.50	1,500,000
HPQ	Hewlett-Packard Co.	30.00	29.50	30.00	29.50	1,000,000	29.50	-0.50	1,000,000
QCOM	Qualcomm Inc.	65.00	64.50	65.00	64.50	800,000	64.50	-0.50	800,000
TXN	TXU Corp.	25.00	24.50	25.00	24.50	600,000	24.50	-0.50	600,000
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MS	Morgan Stanley	45.00	44.50	45.00	44.50	800,000	44.50	-0.50	800,000
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WFC	Wells Fargo Bank	25.00	24.50	25.00	24.50	900,000	24.50	-0.50	900,000
C	Citigroup Inc.	20.00	19.50	20.00	19.50	1,000,000	19.50	-0.50	1,000,000
GS	Goldman Sachs	45.00	44.50	45.00	44.50	700,000	44.50	-0.50	700,000

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ASIA/PACIFIC

Thais Ready
Sale of 20%
Of Airline

BANGKOK — Thailand set the stage Tuesday for the sale of more than a fifth of its national airline as part of efforts to restructure its economy along lines suggested by the International Monetary Fund.

The cabinet agreed in principle to sell 335 million shares in Thai Airways International PCL, a senior government official said.

Supachai Puthvivachin, the Finance Ministry's permanent secretary, said the sale would be made up of 235 million existing Thai Airways shares owned by the government and 100 million new shares.

At current prices, the sale would add about \$300 million to national coffers.

The sale will be via private placement. Akapol Sorasuchart, a government spokesman, said. He added that the shares would be aimed at possible "strategic partners" and also at institutional investors.

The sale will reduce the government's stake in the carrier to 71.5 percent from about 93 percent, Mr. Supachai said. He added that the timing and price of the sale had yet to be decided.

Under economic reform guidelines agreed with the IMF this year, Thailand proposed to accelerate the privatization of its national industries, including several strategic national companies.

Shares in Thai Airways, Bangkok Petroleum PCL and Electricity Generating PCL are all scheduled to be sold this year. In 1999, the government has promised to sell several other national bodies, including telecommunications companies.

Several foreign airlines have been considering purchasing a stake in Thai Airways, analysts say, including British Airways PLC and the U.S. carrier Northwest Airlines Corp.

Insurers' Incomes Fall in Japan

TOKYO — Toho Mutual Life Insurance Co. and many more midsize Japanese life insurers said Tuesday that income from policies plunged in the past business year as the first collapse of an insurer since World War II prompted customers to pull out their money.

Of eight life insurers reporting earnings Tuesday — all unlisted companies that range in size of assets from 1.5 trillion yen to about 7 trillion yen (\$10.6 billion to \$50 billion) — six said that premium income fell in the year ended March 31.

Five of the companies saw their assets shrink over the year as cancellations soared and the number of new contracts plummeted.

Toho Mutual's earnings were the hardest hit of Japan's 16 major life insurers. During the year to March, Toho's assets plunged 33

percent to 3 trillion yen. Premium income tumbled 13.1 percent to 521 billion yen.

The company's shaky financial state earned it a rating of "very poor" from Moody's Investors Service Inc. in November, the lowest of Japan's 16 largest insurers. Toho alone failed to reach capital levels deemed adequate by the government.

"It's been an extremely tough business environment," said Ichinose Yoshiya, managing director of Nippon Dantai Life Insurance Co., which had assets worth 3.6 trillion yen as of March 31, a decline of 9.6 percent from the previous year. The company's premium income fell 1.4 percent to 662.5 billion yen.

Fleeing customers, along with other problems that have dogged Japanese life insurers for years, may eventually prove too much for

some of the weakest companies, analysts said. That's especially true as Japan's "Big Bang" deregulation gives banks and other companies entry into the protected insurance market.

Nissan Mutual Life Insurance Co. collapsed in April 1997 with liabilities outstripping assets by 10 percent. That failure made customers wary of keeping their money in insurance policies, especially because many of Nissan Mutual's 1.2 million policyholders ended up with a 50 percent cut in the interest they were promised.

Their woes have made Nissan Mutual and Toho Mutual attractive to foreign companies that want to get a foothold in Japan's insurance market, the world's second largest. In February, a subsidiary of General Electric Co. agreed to purchase Toho's sales business for up to 70 billion yen.

Japan Economy Stuck at 'Stagnant'

Compiled by Our Staff From Dispatches

TOKYO — The Economic Planning Agency said Tuesday that the Japanese economy remained "stagnant" in June, even though economic conditions worsened.

In the closely watched government report, the agency said that housing construction, employment and import figures had worsened over the past month, while consumer spending showed signs of a recovery.

"Consumption trends are showing signs of recovery," the report said. But it added that spending remained weak because of poor employment conditions and other factors.

The unemployment rate has steadily worsened, climbing to 4.1 percent in April, the highest level in more than four decades.

"While keeping its overall economic assessment intact," Susumu Takahashi of the Japan Research Institute said, "the agency downgraded individual economic indicators, which tells us in a way that the government has admitted the situation has got worse."

Weak labor market conditions will affect household spending and consumer sentiment, an Economic Planning Agency official said, adding, "Caution is increasing."

Mr. Takahashi said, "Although everyone now agrees Japan is slipping into a deflationary spiral, what keeps the agency from saying so is the government's hope that its economic package will lift the nation's sagging economy as early as this summer or later this year."

Japan's economy has been sluggish for most of the decade, despite numerous government attempts to revive it through fiscal stimulus and tax cuts.

"Given the dreadful tone of recent data," Lehman Brothers said in a report, "it is increasingly absurd for the EPA in its monthly report to deny that Japan is in recession."

Housing starts in April fell 16.1 percent from a year earlier, to 106,001 homes, the agency said.

"We have to be cautious about this sector," the agency official said. The agency also lowered its assessment on imports, saying imports were weakening.

"This downgrade reflects weak domestic final demand," the official said. (AP, AFP)

KOREA:
Fear of a Weak Yen

Continued from Page 1

Japanese economy, and as a result of the depreciation of the yen, the Japanese can enlarge markets and have power."

That view has spread rapidly across Asia as the yen has plummeted in recent weeks, raising fears in particular that China will be forced to devalue its currency, a move that would trigger a new round of devaluations and financial turmoil across Asia.

Mr. Ohn said South Korean exports would decrease by slightly more than 0.6 percent for every 1 percent drop in the value of the yen against the dollar.

Hardest hit, he said, would be the shipbuilding industry, where South Korea's Hyundai Heavy Industries Ltd. has emerged in recent years as the world's largest producer of merchant vessels against heavy competition from Japan.

Hyundai has amassed enough orders to prosper past the turn of the century, but it is diverting profits to other companies in Hyundai Group, the largest of the South Korean chaebol, or conglomerates, and may suffer declining orders in the next six months as buyers turn to Japan.

The Korean shipbuilders have lost their competitiveness," Mr. Ohn said. "If the yen depreciates more, they will lose still more," but the industry will not feel the impact right away.

Economists questioned if South Korea's auto industry, dominated by Hyundai Motor Co., Daewoo Motor Co. and Kia Motors Co., could survive in its present form even before the depreciation of the yen.

Kia, now in receivership, hopes that Ford Motor Co., which owns 16.9 percent of its shares together with Mazda Motors Corp., will increase its investment to as much as 51 percent. Both Daewoo Motor and Daewoo Heavy Industries, which manufactures a mini-car separately from Daewoo Motor, are negotiating with General Motors Corp.

As prices of Japanese cars gradually decrease worldwide, however, the question is whether large foreign companies will still be interested in investing in South Korea or whether South Korean vehicles can still compete in overseas markets.

The devaluation of the yen has been visible this month in the widely varying response of South Korean semiconductor makers to the worldwide glut of memory chips.

Samsung Electronics Co., the world's largest producer of memory chips, has suspended its production for a week while Hyundai Electronics Industries Co., South Korea's second largest semiconductor manufacturer, will resume production Thursday after a one-week suspension and is considering a second suspension next month. LG Semicon Co., the No. 3 in the field, said it would probably follow the example of Hyundai and Samsung.

In contrast, none of Japan's five semiconductor manufacturers has announced plans to close its lines.

"Naturally the depreciation of the yen gives them price competitiveness," said Hwang Soon Hwa, general manager of Hyundai Electronics' memory division. "We have to match their prices."

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
11723	1750	17600			
11025	1600	17000			
10253	1450	16400			
9500	1300	15800			
8750	1150	15200			
8021	1000	14500			
J F M A M J	J F M A M J	J F M A M J			
1998		1998		1998	
Exchange	Index	Tuesday Close	Prev. Close	% Change	
Hong Kong	Hang Seng	8,361.46	8,586.63	-2.27	
Singapore	Straits Times	1,177.21	1,128.57	+4.31	
Sydney	All Ordinaries	2,623.90	2,642.80	-0.72	
Tokyo	Nikkei 225	15,536.17	15,284.71	+1.64	
Kuala Lumpur	Composite	505.64	497.79	+1.58	
Bangkok	SET	308.25	312.37	-1.32	
Seoul	Composite Index	339.22	345.88	-1.93	
Taipei	Stock Market Index	7,455.63	7,581.27	-1.79	
Manila	PSE	1,924.49	1,930.59	-0.32	
Jakarta	Composite Index	411.07	408.42	+0.40	
Wellington	NZSE-40	2,098.14	2,104.40	-0.30	
Bombay	Sensitive Index	3,468.67	3,416.73	+1.50	

Source: Telekurs

International Herald Tribune

Very briefly:

• Tenaga Nasional Bhd., the top Malaysian power producer, will sell its power unit at Manjung in the northern state of Perak to Malakoff Bhd. and receive a stake in the smaller power producer in return. Tenaga said the move was part of a drive to minimize risk to its shareholders.

• South Korean prosecutors barred former Chairman Choi Won Suk of Dong Ah Group from traveling because there may be an investigation into alleged mismanagement at the conglomerate.

• PT Garuda Indonesia, the state-owned airline, is in dire financial condition with outstanding debt estimated at \$200 million, half of which is already overdue, according to a report in the daily Bisnis Indonesia. The minister for state enterprises, Tantri Abeng, was quoted as saying that "financial and management restructuring is urgently needed."

• Japan and the United States staked out opposing positions as they opened talks to review progress since a 1996 bilateral insurance trade agreement, Japanese officials said.

• Charoen Pokphand Group of Thailand will merge 12 subsidiaries and raise capital through a share issue in an effort to consolidate agribusiness interests under the listed company Charoen Pokphand Feedmill. (AFP, Reuters, Bloomberg)

New Delhi's Signals
Put Rupee Into Tailspin

Bloomberg News

NEW DELHI — The Indian rupee fell sharply against the dollar Tuesday on expectations that the government will let the currency weaken to make exports competitive.

The rupee fell 1 percent, as the dollar rose to 42.250 rupees from 41.799 rupees Monday. The rupee has fallen by 6 percent since India tested nuclear devices May 11.

Praveen Jain, a currency trader at Global Trust Bank in New Delhi, said, "There has been clear indication from the government and the Reserve Bank of India that they want the rupee to depreciate to allow the country's exports to become more competitive."

But some analysts warned that a fall in the rupee would increase inflation.

The depreciating rupee "will lead to increase in costs of imported inputs resulting in the rise of finished products," said Subrata Ray of DBS-Capital Trust Securities India Ltd.

India's export growth slowed to 2.6 percent for the year that ended March 31 from an average growth of 14.4 percent in the previous three years.

The Reserve Bank of India, the central bank, said Tuesday that its reference rate for the dollar was 42.15 rupees.

The reference rate is the rate at which the central bank trades the rupee and is the benchmark rate used by the markets.

REFINERY: After Two Brushes With Disaster, Maverick Hopes to Strike It Big

Continued from Page 13

repairing cars, haggling with suppliers and even delivering the fuel in a rented tanker truck.

The business did so well that by the late 1970s Mr. Stanley had built up one of the largest independent networks in the United States, the 230-unit Gasland chain.

Along the way, he reacted to adversity with a decisiveness that bordered on impulsiveness.

When a gasoline supplier refused to renew a contract in 1971, he paid \$2.1 million for the old refinery near 1,300 miles (2,100 kilometers) from home, because owning it gave him a sense of security.

"I didn't know anything about refining, except that I wanted to have gasoline for my stations," he said.

Having bought a refinery to supply his gas stations, he decided to go one step further and drill for oil to supply the refinery.

After his drillers reached the depth recommended by the experts and announced they had hit a dry hole, Mr. Stanley said, he told them "to drill the maximum that the rig could handle."

"That's how we hit that first well," he said.

What they hit was not oil, but natural gas. He quickly acquired more rights in what turned out to be one of the richest gas fields in the

state, Lobo Trend.

The revenue from that find — though it would ultimately bail him out of financial tight spots — inspired yet another investment idea that went awry, the construction of an ammonia plant. It seemed like a smart idea, because the plant could use natural gas supplied by Mr. Stanley, but it became a huge money loser after the price of ammonia plunged.

That led to the initial bankruptcy filing for his company, then called Good Hope Refineries.

Mr. Stanley recovered quickly from that reversal. But he was not so fortunate in 1983, when the American energy industry was hammered by a slide in oil and natural gas

prices. After a major customer, El Paso Natural Gas, stopped buying his natural gas, Mr. Stanley again filed for protection from creditors.

In the midst of all the legal turmoil, Mr. Stanley had a dispute with his son William that led to a permanent rupture. After the son disclosed that he had taken a part interest in companies that were doing business with his father's company, Mr. Stanley dismissed him and later disowned him.

The son publicly accused his father of illegally dumping toxic waste and bribing state officials. Louisiana investigated the charges but found no evidence of wrongdoing.

Even after Mr. Stanley got back on his feet, with money pouring in from his gas operations and oil wells, the refinery remained shuttered.

After his bankruptcy reorganization was completed, he won an out-of-court settlement of \$300 million from El Paso Gas. After putting his company on even firmer financial footing by selling off \$1.1 billion in oil and gas operations, he was able to borrow more money to complete the refinery project, which is scheduled to reopen this month.

His timing could hardly be better. Profits in refining are rebounding, capacity is tight and demand for gasoline is growing at close to 3 percent a year.

Even if the industry falls on hard times again, Mr. Stanley says his refinery will flourish because it is so efficient. Mark Kellstrom, who follows the refining industry for Jelferies & Co. in Houston, agrees, saying Mr. Stanley is years ahead of some of his major competitors in his ability to handle low-grade crude.

But others say most of the survivors of the late 1980s and early 1990s, when more than 100 mostly smaller and older refineries went under, are battle hardened. Moreover, Mr. Stanley has two disadvantages — his junk-bond debt interest payments and the lack of a guaranteed market for his gasoline, as he sold his gas-station chain in 1981.

RUSSIA: Statistics Chief Charged With Corruption

Continued from Page 1

Center on Economic Policy here, a research institute. "We know the levels they report you have to take with a big dose of salt."

But Vladimir Ryzhkov, a deputy speaker of the lower house of Parliament, said that the shadow economy "does not rise and fall because of Goskomstat. This is the same as charging the head of the state weather service with a crime because there are floods."

Goskomstat compiles extensive and detailed information about Russian companies. The Federal Security Service, the successor to the Soviet KGB, said that Mr. Yurkov was accused of "distorting statistical data on enterprises, which enabled those enterprises to avoid taxation."

Russia has been struggling to cope with widespread and continuing tax evasion.

Sergei Aristov, deputy head of investigations in the prosecutor's office, said Mr. Yurkov had sold information that belonged to the state.

Center on Economic Policy here, a research institute. "We know the levels they report you have to take with a big dose of salt."

But Vladimir Ryzhkov, a deputy speaker of the lower house of Parliament, said that the shadow economy "does not rise and fall because of Goskomstat. This is the same as charging the head of the state weather service with a crime because there are floods."

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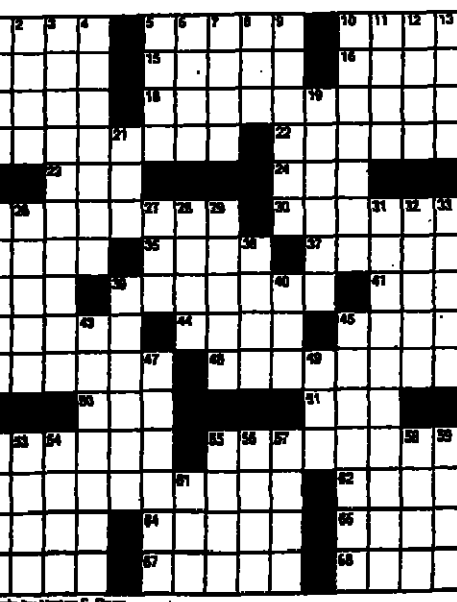
CROSSWORD

- ACROSS**
- Portend
 - Shakespeare's weathervane
 - Small denomination
 - Sorority letters
 - Trials partner
 - "Oh, were it not true!"
 - Gershwin's "It So"
 - 1911 Stravinsky ballet
 - Flirt
 - Black
 - Short-lived Egypt-Syria union: Abbr.
 - O.E.D. item
 - Lands on the Persian Gulf
 - After-exercise refreshers
 - Having a pallor
 - Choir voice
 - Batter's woe
 - Roy's music co-founder
 - 1841 Adam ballet
 - Chinese "way"
 - Nostalgic look
 - Mozart's "It's a miracle," e.g.
 - Tart
 - Unbending
 - Chopin specialty
 - Keats's "To Autumn," e.g.
 - Altar in the sky
 - It's south of the Pyrenees
 - Family reunion activity
 - 1945 Prokofiev ballet
 - Kan, neighbor
 - Head start
 - Actress Patricia et al.
 - Camera part
 - Date, once
 - Kind of fund
 - Quid — facundum
 - Party centerpiece
 - Peter, e.g.
 - Misgiving
 - Cause that NOW champions
 - Decorative pithers
 - Le Déjeuner sur l'herbe painter
 - chi ch'ien
 - Forbidden question asked, in "Lolita"
 - Fear
 - 1892 Tchaikovsky ballet, with "The"
 - With all one's might
 - Some fine porcelain
 - Hodgepodge
 - Hewn of Hollywood
 - "Le — des cygnes"
 - Stock up on again
 - Halo
 - Long (for)
 - Check
 - 80's-90's hip-hop star
 - Wait
 - Technician: Abbr.
 - Blue, in Bonn
 - Shakespeare title starter
 - Reckless
 - It parallels a radius
 - 90°
 - Mud

Solution to Puzzle of June 9

SLAT GRAM DOONE
HAIR RIGA UPTION
USDA IVER RATIO
THELASTEMPEROR
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ARG FOREST KIM
LEROI AEC NANA
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WET BETHUNE QTS
YEAR RONS
CHICKENALAKING
PLINK AONE ONIN
GADGE CPUS ATTA
SWEET HESS LOST

- DOWN**
- Brio —
 - Oberlin locale
 - 1889 Minkus ballet
 - River's end
 - Important school mo.
 - a porter (ready-to-wear)
 - Highly collectible lithograph
 - Neither's partner
 - "Star Wars" characters
 - Amount Santa carries
 - Like some textbook publishing



- ACROSS**
- Portend
 - Shakespeare's weathervane
 - Small denomination
 - Sorority letters
 - Trials partner
 - "Oh, were it not true!"
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REPUBLIC OF LEBANON
MINISTRY OF MUNICIPAL AND RURAL AFFAIRS
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
SOLID WASTE / ENVIRONMENTAL MANAGEMENT PROJECT
INVITATION TO TENDER
CAZA OF BAALBECK

PACKAGE 8.a: CONSTRUCTION OF A SANITARY LANDFILL

The Republic of Lebanon has received a loan (No. 3899-LE) from the International Bank for Reconstruction and Development (IBRD) towards the cost of the Solid Waste / Environmental Management Project (SWEMP) for Lebanon and intends to apply part of the proceeds of this loan to cover eligible payments under the contract for the above-mentioned package for the Caza of Baalbeck.

The Government of Lebanon, represented by the Ministry of Municipal and Rural Affairs and the Council for Development and Reconstruction (CDR), invites sealed bids from eligible contractors for the construction of a sanitary landfill including earthmoving works, concrete works, structural steel works, and waterproofing works using geomembrane (HDPE) / geotextile.

This project will be administered by CDR, based upon the World Bank's guidelines. Contractors who have already undertaken similar projects are invited to apply for the above-mentioned project and will be subject to Pre Qualification according to the criteria stated in the bidding documents.

Bidding documents may be purchased at the Council for Development and Reconstruction, Tallet el Serrail, Beirut, Lebanon, phone: 961-1-981431/2, facsimile: 961-1-864494, for a non refundable fee of US\$ 500 (five hundred) or its equivalent in a freely convertible currency in the form of a banker's certified check in the name of the Council for Development and Reconstruction starting on Wednesday 10 June 1998. Interested bidders may obtain further information at the same address.

Bids shall be valid for a period of 90 days after Bid opening and must be accompanied by a security of US\$ 50,000 (fifty thousand) or its equivalent in a convertible currency, and shall be delivered to: Council for Development and Reconstruction, Tallet el Serrail, Beirut, Lebanon, on or before twelve o'clock (noon, Beirut local time) on Friday 24 July 1998. Bids will be opened at twelve o'clock (noon, Beirut local time) on the same day in the presence of the bidders who wish to attend.

available on Internet: <http://www.iht.com/IHT/FUN/funds.htm>

Quotations supplied by fund groups to Micropol Paris, t: 33-1 40 28 09 09, e-mail: info@micropol.fr

For information on how to list your fund, fax Katy Hourli at (33-1) 41 43 92 12 or E-mail : funds@lht.com
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هكذا من الاصل

WORLD ROUNDUP



Boris Becker heading for defeat against Hendrik Dreekmann.

Becker Loses

TENNIS Boris Becker lost to a fellow German, Hendrik Dreekmann, in three erratic sets Tuesday at the Gerry Weber Open in Halle, Germany, and then said he wouldn't play Wimbledon.

Becker fought off five match points, but handed the world No. 10 the match with a double fault, 6-3, 5-7, 7-6 (11-9) at the grass court event.

"A Wimbledon start would have made sense with a good performance in Halle, but not with a first-round loss," Becker said.

In his first match since winning the French Open, Carlos Moya coasted past Guillaume Raoux of France, 6-4, 6-4. Alex Corretja, who lost to Moya in the final at Roland Garros, fell to Nicolas Pietrangeli of France, 6-2, 7-5.

In London, Mark Philippoussis, the defending Queen's Club champion, slumped to a first-round defeat at the grass court event and then said he might not play at Wimbledon. The Australian was upset by Spanish grass-court novice Jordi Burillo 7-6 (11-9), 7-5.

"This year's been pathetic for me and I just haven't been there at all," said Philippoussis. "I'm just very confused at the moment. It's like I'm not hungry any more, and it's not a good feeling at all."

American qualifier Doug Flach, ranked 222, surprised the Czech Republic's Daniel Vacek 4-6, 6-1, 6-3.

All Blacks Pick Randall

RUGBY UNION Taine Randall was confirmed as the new All Black captain when the New Zealand selectors announced the team to play England later this month.

Randall, a 23-year-old loose forward, was appointed to succeed Sean Fitzpatrick. Randall, a Maori, was captain of the national secondary schools team, the national juniors, his provincial team in Otago, at 19, and was the midweek captain for New Zealand in South Africa.

Forget Gloom: Jazz Put on a Happy Face

Game 4 Task: Play Smart Against Bulls

By Selena Roberts
New York Times Service

CHICAGO — The Utah Jazz coach, Jerry Sloan, came strolling onto the floor as cheerful as a bluebird on the morning after his team had suffered the worst defeat in playoff history. He stopped with a smile and said, "Hello, everyone," with the glee of a morning show host.

Not exactly the look of doom. The typically plump Sloan chuckled as he called the film of his team's humiliating 96-54 loss to the Bulls on Sunday in Game 3 of the National Basketball Association finals a cartoon.

"We're going to get a couple of tables so our guys can lay back in the training room and rest while we watch film, just in case someone gets sick," Sloan said before the Jazz practiced Monday.

Maybe this was the best way to deal with disaster. If Sloan had acted as if the Bulls were so superior to his team, the Jazz might not have a psychological chance of showing up for Game 4 on Wednesday night.

"We have, as you know, a very competitive coach," John Stockton said. "He's ready to go again this morning. So we're ready to go."

So the Jazz spent the day focusing on what can be done differently.

And that boils down to one simple goal: play intelligently. The Jazz may not be as physically menacing as teams from the East, but Sloan's players have succeeded against the Bulls by keeping their heads no matter how much chaos Scottie Pippen and Chicago's defense try to cause.

"They shut our pick-and-roll, but we had four or five shots that, if we make

those, it puts a different light on it," Sloan said. "We also have to take the shots. I think John Stockton got over there and took one early, but then didn't after that."

"You've got to attack the basket and put it away or you lose confidence. If a guy misses a layup, then it's well, I can't make a jumper."

More than missed shots, Utah missed assignments. The Jazz players, slow to get to their spots on the floor, botched four out-of-bounds plays that resulted in turnovers.

In 13 years, Utah has not altered its pick-and-roll formula. And Sloan is not going to start now.

"I can't hide what we'll run certain plays and everyone knows it," Sloan said. "You've got to grit your teeth and be more persistent in making it work."

Part of playing under control is being patient under pressure. If the Bulls' coach, Phil Jackson, is going to unleash Pippen to roam the floor, Stockton is going to have to make him pay with an illegal defense.

"If a guy comes across the lane and you go right to him, it's not illegal, because he's come to help," Stockton said. "By maintaining your patience offensively and not charging right at him, then he's across the line and it's very visible. Again, there's no finger-pointing, except on us and how we executed. You have to have the patience and the faith in your offense to take care of itself."

No one on the Jazz appeared to have lost faith after Game 3. No one even appeared to lose sleep.

"What time does the game start Wednesday, 8 o'clock?" Sloan said.

"All right, then, we'll try to be here."

Disabled Pro, Cart Fixed, Qualifies for U.S. Open

By Clifton Brown
New York Times Service

CINCINNATI — Casey Martin qualified Monday for the U.S. Open, fulfilling another dream and returning his remarkable story to the national stage.

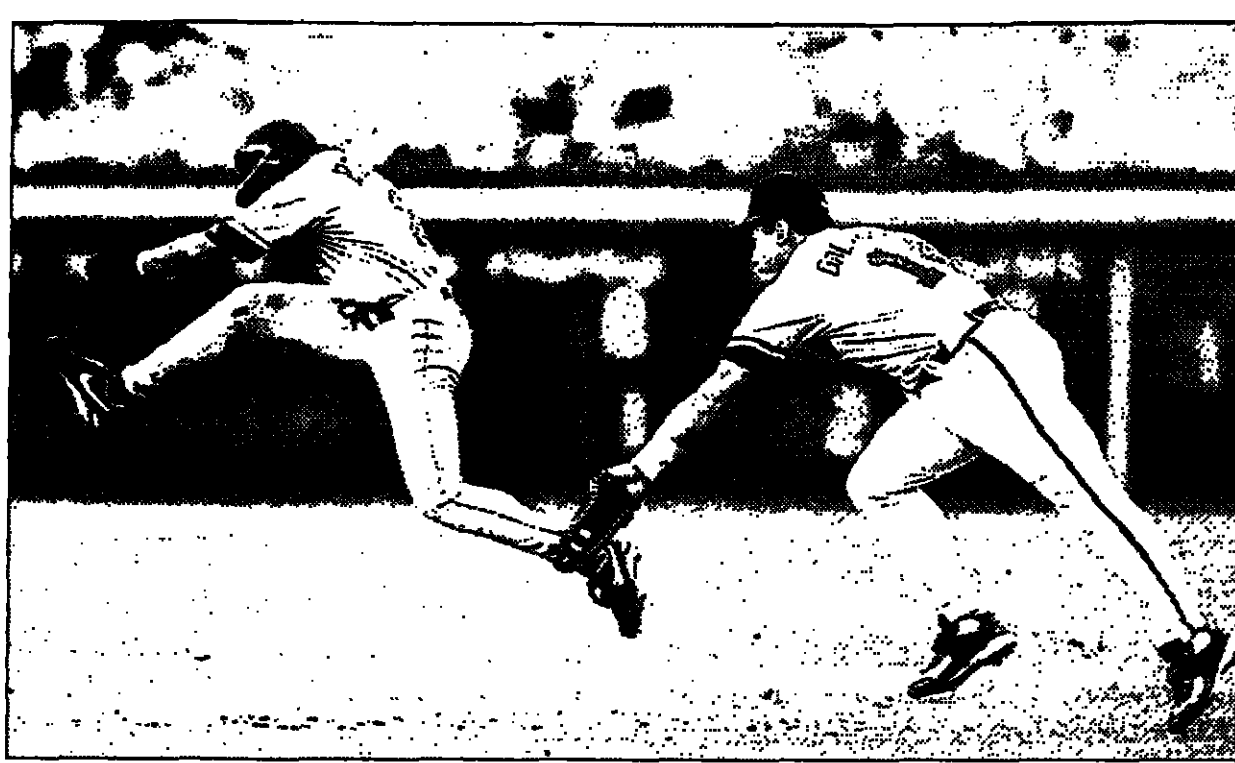
Martin, 26, who successfully sued the PGA Tour earlier this year for the right to use a cart in competition, prevailed on the second hole of a sudden-death playoff at the U.S. Open sectional qualifier at Cloverbrook Country Club. By making a 25-foot birdie putt on the 38th hole of competition, Martin won a five-man playoff for the last available spot and earned a berth in the U.S. Open at the Olympic Club in San Francisco next week.

Martin, who suffers from Klippel-Trenaunay-Weber syndrome, a painful

circulatory ailment, will become the first golfer to ride a cart in the Open.

On Monday, the odds were against Martin at Cloverbrook, with 67 golfers vying for five qualifying spots. During Martin's third hole, his specially designed one-seat cart stalled, forcing him to walk for two holes, before the cart could be restarted. But Martin shot a 2-under-par 138 over 36 holes of regulation before winning the playoff. It was his fourth attempt to qualify for the U.S. Open.

Martin will become a focal point of attention next week, especially since PGA Tour players were divided on whether he should be allowed to use a cart. Martin has used a cart on the Nike Tour this year, but the Open will be his first taste of competing against the world's best players.



Troy O'Leary of the Red Sox leaping over a grounder hit past first base and into right field for a single.

Cubs Roll Into First on Sosa's Bat

He Ties Club Record With a Home Run in Fifth Consecutive Game

The Associated Press

There's no stopping Sammy Sosa and the Chicago Cubs these days.

Sosa tied a team record by homering in his fifth consecutive game as the Cubs won their 10th straight, 8-1, in Minneapolis on Monday night.

The streak has moved the Cubs into a tie for first in the National League Central with Houston.

Sosa's homer, in the third off Minnesota's LaTroy Hawkins (3-6), was his 20th of the season and 11th in the last 10 games. The Cubs toed the rubber in five straight games were Hack Wilson in 1928 and Ryne Sandberg in 1989.

The Metrodome crowd chanted "Sammy, Sammy" when Sosa came to bat and starting pitcher Mark Clark got a standing ovation from the fans behind the first-base dugout when he left in the ninth inning.

"Everywhere there are Cubbies fans cheering for us and more now that we've won 10 in a row and are in first place," said Jose Hernandez, who homered for the third straight game.

"We haven't done that in a long time."

In fact, the Cubs haven't done that since 1970. And they are 14 games over .500 (38-24) for the first time since they finished the 1989 regular season 92-69.

But Chicago has to share the honors of hottest team in the majors with the San Francisco Giants, who also won their 10th straight, beating Seattle, 4-3.

"You want to ride this high as long as you can," said the Giants' starter, Danny Darwin, who won for the fifth time in his last six decisions.

The 42-year-old Darwin (6-3) allowed three runs in 6 1/2 innings against the slumping Mariners, who fell a season-low nine games below .500 (27-36).

Rich Aurilia homered against Randy Johnson (5-5), who allowed four runs in seven innings.

White Sox 8, Cardinals 6 Mark McGwire hit his major league-leading 29th homer, but Jeff Abbott's three-run triple led Chicago to victory. McGwire, who has 13 homers in his last 17 games, raised his league-leading RBI total to 73 with his two-run shot in the fourth.

McGwire's presence helped the White Sox draw more than 23,000 fans for the third time in 26 home dates.

Jason Bere (3-5) got the victory and Mark Petkovsek (3-3) was the loser.

Mariners 3, Devil Rays 0 Rick Reed took a perfect game into the seventh inning and finished with a three-hitter, and Mike Piazza homered off Dennis Springer (2-10) to lead New York at home.

Reed (7-3), who struck out 10 and had his first shutout in 10 years, retired the first 20 batters before Wade Boggs doubled.

BASEBALL ROUNDUP

Braves 7, Red Sox 6 Atlanta rallied for six runs in the bottom of the ninth to stun Boston.

The Braves started their rally off the Red Sox closer, Tom Gordon, who gave up RBI singles to Keith Lockhart and Chipper Jones. John Wasdin (3-3) then relieved and gave up a two-run double to Andres Galarraga, an RBI single to Ryan Klesko and the game-winning single to Andruw Jones.

Mariners 4, Blue Jays 3 Todd Zeile singled home the winning run to cap a bizarre 17th inning as Florida snapped an 11-game losing streak.

Toronto appeared to take a 4-3 lead in the top of the 17th when Felipe Crespo scored from first on a two-out double by Carlos Delgado. But the Marlins argued that Crespo missed third base and the

plate umpire, Tom Hallion, upheld the appeal and ruled him out, ending the inning. Television replays showed that Crespo appeared to touch the inside of third base on his way to the plate.

Cubies 14, Phillies 8 Rafael Palmeiro and Brady Anderson each had four RBIs as resurgent Baltimore set season highs with 14 runs and 18 hits.

Palmeiro, who has 10 RBIs in his last eight games, hit a two-run homer in Baltimore's four-run sixth off Darin Winston (2-2).

Astros 7, Dodgers 3 Blake Stein (2-3), making just his sixth big-league start, allowed five hits and struck out 10 in 8 1/2 innings for host Oakland.

Jason Giambi hit a three-run homer in the seventh off Ramon Martinez (7-3).

Padres 3, Rockies 1 Domingo Cedeño homered and drove in all three Texas runs, and Aaron Sele became the majors' second nine-game winner.

Sele (9-3) went eight innings, limiting Colorado to five hits at Coors Field, to join Atlanta's Greg Maddux with nine victories.

Astros 9, Tigers 5 Carl Everett homered and hit a two-run double to cap a five-run ninth for Houston at Detroit.

The Astros scored all their ninth-inning runs off reliever Todd Jones (0-2). Doug Henry (4-2) pitched two innings for the victory.

Indians 8, Pirates 0 At Cleveland, Jim Thome hit a three-run homer and drove in four runs and Bartolo Colon (5-4) pitched a four-hitter for his second shutout.

Royals 8, Brewers 7 Jose Offerman homered and hit his league-leading seventh triple as Kansas City snapped a four-game home losing streak.

Padres 4, Reds 2 At San Diego, Joey Hamilton (4-7) allowed two runs in eight innings to break his career-worst six-game losing streak.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE	W	L	Pct.	GB
AL EAST				
New York	44	13	.772	
Boston	35	26	.571	11
Toronto	31	32	.492	14
Baltimore	30	33	.476	17
Tampa Bay	26	36	.419	20
AL WEST				
Cleveland	38	24	.613	
Minnesota	27	34	.443	10 1/2
Chicago	25	36	.410	12 1/2
Detroit	23	38	.375	15 1/2
Kansas City	22	38	.364	16 1/2
AL CENTRAL				
St. Louis	38	24	.613	
Seattle	34	28	.550	4
Oakland	27	34	.443	10 1/2
San Francisco	27	36	.432	11 1/2
TEXAS LEAGUE				
AL EAST				
Atlanta	45	19	.703	
New York	34	28	.550	6
Philadelphia	28	32	.469	10
Montreal	24	37	.394	15
Florida	18	44	.295	24
AL CENTRAL				
Chicago	38	24	.613	
Pittsburgh	31	32	.492	7 1/2
Cincinnati	29	34	.462	9
St. Louis	29	34	.462	9
Cleveland	28	36	.438	11
AL WEST				
San Francisco	40	24	.625	
San Diego	39	25	.609	1

MONDAY LINESCORES	W	L	Pct.	GB
AL EAST				
Pittsburgh	000	000	000	4 1/2
Cleveland	000	000	000	1 1/2
AL WEST				
St. Louis	000	000	000	1 1/2
AL CENTRAL				
St. Louis	000	000	000	1 1/2
AL EAST				
Atlanta	000	000	000	1 1/2
AL WEST				
San Francisco	000	000	000	1 1/2
AL CENTRAL				
St. Louis	000	000	000	1 1/2

AMERICAN LEAGUE LEADERS	W	L	Pct.	GB
AL EAST				
AL WEST				
AL CENTRAL				
AL EAST				
AL WEST				
AL CENTRAL				

NATIONAL LEAGUE LEADERS	W	L	Pct.	GB
NL EAST				
NL WEST				
NL CENTRAL				
NL EAST				
NL WEST				
NL CENTRAL				

JAPANESE LEAGUES	W	L	Pct.	GB
NPB				
NPB				
NPB				
NPB				
NPB				

INTERNATIONAL TEAM	W	L	Pct.	GB
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Eurosport, Europe's No.1 Sports TV Channel, available on cable and satellite

WORLD CUP BRIEFS

Korea May Share

South Korean soccer officials said Tuesday that they had obtained government approval to discuss sharing some matches in the 2002 World Cup with North Korea.

South Korea and Japan will be co-hosts of the games, but South Korea hopes to share some of its 32 matches with North Korea.

The vice-president of North Korea's soccer association, Choi Pyung-Ju, told the Sports Seoul daily that Pyongyang was interested in Seoul's proposals.

"It is not yet the stage to go into details with the South, but it would be very desirable to form a joint team and for some of the 2002 World Cup finals to be held in the North," Choi said. (AFP, AP)

Chelsea Signs Desailly

Chelsea completed its second international signing in 24 hours on Tuesday when it agreed to pay AC Milan £4.6 million pound (\$7.5 million) for Marcel Desailly, the French defender and midfielder. The deal was completed at the French team's World Cup training camp. On Monday, Chelsea signed the Spanish international and Barcelona right back Albert Ferrer. (AP)

The Oldest and Youngest

Jim Leighton, the Scottish goalkeeper, will be the oldest player in the World Cup. Leighton, 39, is 22 years older than the youngest player at the World Cup, Samuel Eto'o, a 17-year-old midfielder for Cameroon. (AP)

Cup Starts, Trading Stops

Brazil's stock exchange will close whenever the national soccer team plays in France, the Sao Paulo Stock Exchange said Tuesday. The first trading halt will be Wednesday from noon to 14:30 Brazilian time when Brazil and Scotland kick off the 1998 tournament. (AFP)



Taribo West, a Nigeria defender, training on Tuesday.

From Pele and the Streets, Hope

A Wave of Enthusiasm for the Lingua Franca of Kicking a Ball

By Rob Hughes
International Herald Tribune

PARIS — You want to feel the breath of optimism, to feel good about the world and its players? Wednesday in Paris, at the start of a World Cup, must sway with that kind of enthusiasm, for where else might we shelter from a world of atomic bombs and atrocious daily news about man's intended inhumanity to man?

When Scotland, a small country, kicks off at the Stade de France against Brazil, the most populous and the best of the leading soccer countries, we should begin to feel the strange but potentially beautiful grip of a simple game that 200 million people of whatever creed or color or religion enjoy playing.

They cannot all be Brazilians. Scotland's professionals cannot play ball the way Brazil does. But there is the first wonder of this sport: Scotland can scare Brazil, it might just hold or even beat the best on earth and that would create a frisson of excitement that even Parisians would find irresistible.

Pele, no less, is concerned about Brazil. The finest player who ever performed is a middle-aged man now but still brimful of childlike enthusiasm for the sport that took him from poverty to acclaim.

"As individuals, no doubt my country has the best players," he said Tuesday. "But I worry for them as a team. Unfortunately they don't have time to get together, they don't have teamwork. So the first game is very important for psychological reasons. It is supposed to be easy because Scotland plays only defensively, but remember Colombia?"

In 1994, Pele, in company with many, believed Colombia was the hottest team. It had beaten Argentina, 5-1, in Buenos Aires, beaten Brazil, suggesting that its collection of stunning, often maverick players, could take on the world at USA '94.

It failed to beat the host nation in round one. The tragic consequences of that game — Andreas Escobar was shot dead in Medellin because he had the misfortune to score the only goal into

his own net — has been a shadow across soccer ever since.

Pele's World Cup memories are better than that. In 1958, at 17, he became the youngest World Cup winner and began a career that made him the most admired soccer player. Indeed, in Paris on Tuesday he joined Nilton Santos and Carlos Alberto, two superb Brazilian fullbacks, and Alfredo di Stefano, a complete Argentine master of the game, at lunch.

All four were part of a World Team of the 20th century selected by 24 international journalists at the behest of MasterCard.

The full team is: Goal: Lev Yashin (Soviet Union). Fullbacks: Carlos Alberto and Nilton Santos (both Brazil). Center backs: Franz Beckenbauer (Germany) and Bobby Moore (England). Midfield: Johan Cruyff (Netherlands), Alfredo di Stefano (Argentina), and Michel Platini (France). Forwards: Garincha, Pele (both Brazil) and Diego Maradona (Argentina).

All those individuals came to life at lunch Tuesday. Some of the film clips were sepia-toned; some of the memories are, too. But those who have established the traditions through their play are at their best when brought together to watch future generations try to emulate or surpass them. Di Stefano, the doyen, speaks of a game that has adapted beyond his time.

He was a wonderful physical specimen, he could control the ball and control the game in any area of the field. Now balding and heavy-jowled, he feels for the youngsters who are told how they must play. Coaches, he declares, try to be too imposing.

Pele agrees. He would love to see a modern player — perhaps Zinedine Zidane, the French playmaker — lose inhibition and perform with more improvisation.

And Carlos Alberto, the only one of the four who is a coach, concludes that the physical aspects of soccer have become all-important, the commercial evolution imposes a winner-take-all strain on the coach, and there is less time to practice skills. So is modern soccer a

reduced spectacle? Do not even contemplate the thought. The four representatives of the 20th century team remained bonded by an undimmed love of soccer, past and present.

"The levels are much better today," Pele said. "I tell you what excites me about 1998: All the big names are forwards. In 1990, when this decade began, you had Lothar Matthaus, the German midfielder/defender. I voted the top player. Now all the young men everyone talks about are attacking players — Raul, Zidane, Batistuta and Ortega, Bergkamp and Salas."

Hey, Pele, you forget someone? Someone almost as fresh as you were in 1958?

"No, I didn't forget," he laughed. "I save the youngest for the end because they really are the future. You should know I think Ronaldo is the best coming player in this World Cup, and I have also a lot of respect for Michael Owen, the boy from England. His speed really makes me want to play again."

The king of soccer, talking his game. Outside on the Champs-Elysee you might not know that soccer existed or that France is alive to the global love affair with the round ball. The Parisians have their windows shuttered against the light of an approaching event. But move just a small distance, to the space in the middle of the elegant grassland down the Avenue Charles de Gaulle.

What is this? Scottish fans in their kilts, bareheaded but playing ball. It is a fixation with Scottish youths, and infectious. Parisian youngsters watch, and then edge closer and closer until — voila — they are in the game. It happened, too, in other quarters of this aloof, self-centered city: The Scots, the Brazilians and now even the French practicing the lingua franca of kicking a ball.

To the millionaires we shall see Wednesday night and through June into July, I have a simple request: Please think of Pele and his ilk, think of the street players and just do your best to show your own worth on the big stage.

Rob Hughes is Sports Correspondent of The Times of London.



Masami Ihari, Japan's captain, tackling Daisuke Ichikawa in training.

CUP: Score One for French Discretion

Continued from Page 1

World Cup everywhere, losing sleep and screaming themselves hoarse, soccer is to France what France is to breakfast. The country produces wonderful players, just as it makes terrific croissants and broches. But they are not what the place is about. No one here has ever succeeded in romanticizing or intellectualizing sport to the point where it fuses with the deepest marrow of national life.

In England, Germany, Italy or Brazil, soccer is a central, shared experience. To pretend otherwise in France, to put it in an exaggerated emotional context, to expect the French to do the wave in the Metro or to announce goals on the p.a. system in train stations (the Germans did in 1974) would be to turn this World Cup into a fake as tawny as an authentic Rolex turned out in a Bangkok sweatshop.

Pockets of passion exist for soccer in Marseille, Lens and St. Etienne, bruised cities where the local teams are repositories of battered local pride. But Paris almost went without a pro representative in the 1970s, and now the richest French club team, Paris St. Germain, has turned down the idea of playing its regular season games in the magnificent Stade de France, specially built for the World Cup, because it fears it can't fill it once the tournament hoopla vanishes.

Since there is not enough deep fan support to correspond to the international market value of its best players, 13 of France's 22-man Cup roster play for foreign teams, as compared with four on the German squad, three on Italy and none on England. The country's biggest star, Zinedine Zidane, the son of Algerian immigrants, labors abroad, in Italy, as did Platini, another immigrant kid, or before him, Raymond Kopa, a Polish miner's son who went to Real Madrid to make a buck.

Hardly shameful, France recognizes this with a shrug, and that soccer claims a relatively small piece of its rich fantasy life. L'Equipe even acknowledged Tuesday that tickets for the matches were still on sale at a few

reputable travel agencies. Rather than trying to belabor a soccer frame of reference, the organizers of Tuesday night's opening celebration in Paris turned to what they said was a message of "togetherness and universality" with four 20-meter-high (60-foot-high) robots — looking more like giant Masters of the Universe plastic toys than swivel-hipped midfielders — converging on the Place de la Concorde and its Obelisk, dressed up with questionable success to resemble the World Cup champion's trophy.

All this relative distance to the event has made warnings from the government and French editorialists about how the country would be disgraced through an Air France strike during the competition into a bit of an overblown scream. Although the strike is uncomfortable, it has increasingly been met with irony from the French. Andre Jezequel, writing from Nevers, in the heartland, in Le Journal du Centre, seemed to get the mood right in saying: "The idea of a beautiful and generous France that was to be sent to the rest of the world has been unceremoniously banished to the bench. So, we're offering the planet a picture of pushers and complainers. At least there's the advantage here that we don't have to strain our talent: We're instant finalists in that category."

It was much the same tone when the newspaper Le Parisien headed for the streets to ask 26 Parisians, including a guard at the Eiffel Tower, the director at the Moulin Rouge, a priest at Notre Dame and a street artist in Montmartre, how they thought the World Cup would turn out. Not one picked France to win. Rather more gently, a few talked of "hoping" or "wanting to see" France get to the finals; others of more business, traffic jams or of a nice blip away from ordinary existence where maybe something interesting would happen.

All reasonable expectations. In a country where the school curriculum teaches the near-inevitable failure of excess, a World Cup of measured proportions is at hand.

FETE: Flags, Kilts and Giants Join in Paris's Kickoff Parade

Continued from Page 1

As they converged on the Place de la Concorde from four locations around the city, the giants, a balloon-like inflatable exterior covering their mechanical structure, were followed by 3,500 actors, dancers, roller-bladers, athletes and children in costume.

As is often the case in France, the giants were symbolic.

"They represent the anthropological and cultural origins of man," said their creator, Jean-Pascal Levy-Trumet. "The giants are symbols of opening, ambassadors of the world population, reminders of fairy tales."

They were guarded by 6,000 police officers. For days now, the streets and sidewalks of Paris have been filling up with machine-gun toting security officers from the military and from multiple national and local police forces.

When the matches actually begin, the level of protection will ratchet up further.

In all, about 25,000 security officers will be employed each day, including 8,000 paramilitary gendarmes, 2,000 anti-terrorist troops and 2,000 soldiers.

They will guard not just the stadiums, but also the training camps and lodgings of foreign teams and such sensitive sites as the Eiffel Tower, on top of which sit numerous high-tech communications antennae.

The French authorities have three very different security concerns. Inside the stadiums, they worry about hooligans, especially British ones. Fearing a repeat of two tragedies in the 1980s when fans were crushed to death against security grills, most of the stadiums in which the games will be played will not have grills.

In the first round, only one game, Belgium-Holland in Paris on Friday, is categorized as high-risk. United States-Iran on June 21 in Lyon is not.

Outside the stadiums, the authorities most fear terrorism against civilians in

public places. Three separate roundups in the last three months have resulted in the questioning of nearly 100 people with ties to Algerian Islamic groups; 19 people have been formally placed under investigation.

Far from the stadiums, the authorities worry about general delinquency. Giant television screens are being erected in what are called the "difficult quarters," the low-income suburbs ringing Paris and other game cities.

The intention is to allow disadvantaged youth access to the games, but officials acknowledge it also means large gatherings of potentially unruly crowds.

In addition, pickpockets are expected to be working overtime during the World Cup. Unfortunately, the police who catch them will not.

The judiciary police, a special unit, has been engaged in a work-to-rule action since March, and thus will provide little extra protection to the fans arriving here for games.

DENNIS THE MENACE

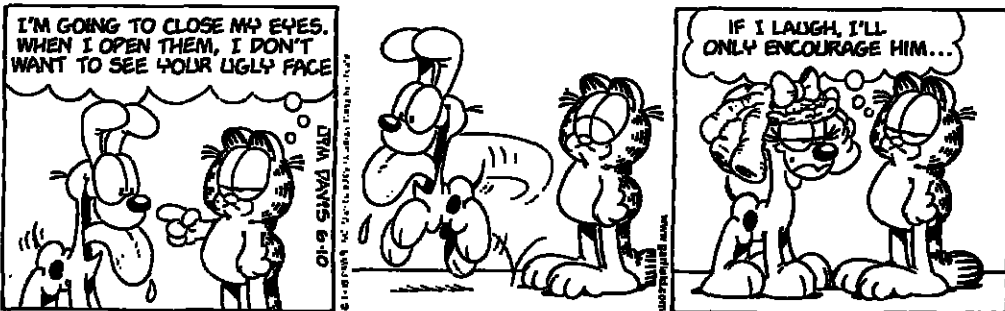


"Do you think they have all-night ice-cream trucks?"

PEANUTS



GARFIELD



BEEBLE BAILEY



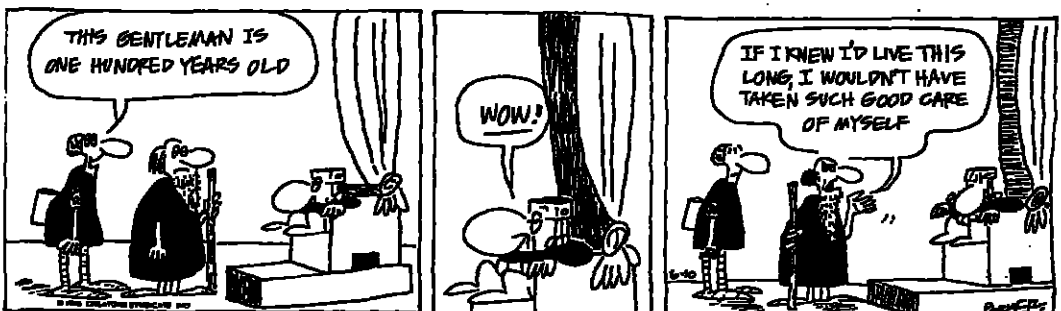
BLONDIE



CALVIN AND HOBBS



WIZARD of ID



NON SEQUITUR



DOONESBURY



JUMBLE
THAT SCRAMBLED WORD GAME
by Mark Andrews and John Andrews
Unscramble these four Jumbles, one letter in each word, to form four ordinary words.
NOAGY
SUAPPE
LIVRIE
PHARME
Now arrange the correct letters to form the fourth word, as suggested by the above cartoon.
Answer: EASY WAY TO UNDO UP SHOPPING WITH THE WIFE — HOLDING THE BAG

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سكرا من الامم

OBSERVER

A Merciful End

By Russell Baker

NEW YORK — Here's how to plea-bargain us all out of the whole ordeal:

1. President Bill Clinton concedes that he had consensual sexual relations with Monica Lewinsky, as intimated by her former lawyer, William Ginsburg, and resigns.

2. Vice President Al Gore becomes president.

3. Prosecutor Kenneth Starr agrees not to seek a 15-year prison term for Clinton for lying about his activities with Lewinsky. In a statement to the court, Starr will concede that a gentleman must inevitably lie about such matters, but prove that the president of the United States has a constitutional duty not to be a gentleman.

4. Starr will also be permitted to send a stern note home to Hillary Clinton about her husband's behavior, but only if he can compose such a note for less than \$45 million.

5. Simultaneously with the president's resignation, Starr will submit a written apology to the public for pretending that he was not "out to get Bill Clinton."

6. This apology will not include, as Clinton's lawyers demanded, an admission that Starr's uncouth behavior grievously misled the public about his personality since, when fooling around after hours, Starr often abandoned his sanctimonious style and told politically incorrect and raucous, if not bawdy, jokes.

7. The public will be asked to contribute to a so-called South Seas Fund, the purpose of which will be to finance construction, on an atoll south of Tahiti, of a \$10 million house with sauna and swimming pool. This will be presented to Paula Jones as a gift from the nation, with the understanding that if she returns to America a special prosecutor will be appointed with power to find legal justification for putting her in jail.

8. Linda Tripp will be restored to the White House job she held before Clinton people transferred her to the Pentagon. Concurrently with said transfer, she will be provided with a food-taster to accompany her whenever she dines in the White House mess.

9. Hillary Clinton will appear on NBC's "Today" show to say she was completely wrong when she said her husband was the victim of "a vast right-wing conspiracy" to destroy him.

10. On the evening after Mrs. Clinton's breakfast show appearance, Starr will appear on David Letterman's show and, if asked, will state his belief that the mysteriously missing Rose Law Firm documents, which Mrs. Clinton couldn't find in Arkansas, turned up amazingly enough—in the White House parlor only because they were transported there from Arkansas by an evil spirit.

11. Should Letterman roll on the floor laughing, or offer Starr a bargain on the Brooklyn Bridge, Starr agrees, nevertheless, to maintain an expression of sober and sincere credulity until Letterman's next commercial break.

12. All parties agree to sign a declaration of repentance for encumbering the public with squalor, vulgarity and 11th-rate politics and for insisting that their show was not totally inconsequential to the destiny of the republic.

13. Lewinsky agrees never to be heard of again.

New York Times Service

Hollywood Digs Out to Restore a Buried Heritage

By Todd S. Purdum
New York Times Service

LOS ANGELES — To stand in the scarred old forecourt of Grauman's Egyptian Theater is to sense for a moment how it was when Hollywood began. This is where flashbulbs first popped and fans first turned out for that quintessential Hollywood invention, the celebrity-studded gala premiere.

And from 1922, when it opened with "Robin Hood," starring Douglas Fairbanks at \$1.50 a ticket, to 1968, when Barbra Streisand burst onto the screen in "Funny Girl," the Egyptian, like its better-known neighbor down Hollywood Boulevard, the Chinese, was host to the biggest and the best in the business, from "Ben Hur" to "My Fair Lady."

But by 1992, the once-bustling boulevard had devolved into a dank and undesirable strip of tourist traps, troublemakers and transients, and the Egyptian, by then badly faded, closed its doors. Its cavernous auditorium became an encampment of homeless squatters, who were evicted by the city just before the 1994 Northridge earthquake knocked 20-by-40-foot holes in its hollow clay walls. The wrecking ball threatened.

But now, Hollywood Boulevard is staggering toward a comeback, ready for another close-up as hot new restaurants dot the area and the Academy of Motion Picture Arts and Sciences makes plans for a 3,300-seat theater and retail complex from which the Oscars ceremony will be broadcast. And the Egyptian, with the phoenix motifs sprinkled throughout its still grand skeleton, is rising from the ashes as well.

The theater is to be the new home of the American Cinematheque, a film preservation group that plans to use it for screenings of classic movies, beginning in December with a grand "re-premiere" of Cecil B. DeMille's 1923 silent version of "The Ten Commandments," which opened at the Egyptian 75 years ago.

And preservationists here hope that the Egyptian's rise can be a catalyst for renewed attention to other forgotten movie palaces from the film industry and a city that's really famous for the disregard of its own past. "It's very interesting to me that overall, the entertainment industry is very unaware that these great treasures exist in the city they live in," said Linda Dishman, executive director of the Los Angeles Conservancy, which sponsors an annual monthlong series of vintage films in downtown theaters. This year's series began on June 3 at the Orpheum Theater, still a functioning first-run movie



A Pharaonic image oversees some restorative painting at Grauman's Egyptian.

house downtown, with a live stage show and a screening of Fred Astaire and Ginger Rogers in "Top Hat."

But Dishman and others see the Egyptian's revival as an icon of what is possible, although only a first step, and the Cinematheque as a fitting sponsor.

"The cinematheque is our industry's Getty Museum," said Steve Tisch, the producer of "Forrest Gump" and a co-chairman of cinematheque's capital campaign for the Egyptian. The organization, founded in 1984, has never had a permanent home, and it obtained the Egyptian for \$1 from the city's Community Redevelopment Agency, which had acquired it from its last commercial owner.

As designed 76 years ago by the firm of Meyer & Holler, it was originally planned in Moorish style, as the red tile roof attests. But during construction, archaeologists discovered Tutankhamen's tomb in Egypt.

Grauman, who had already made a splash with his ornate Million Dollar Theater in downtown Los Angeles and would open his namesake Chinese in 1927, switched course to accommodate the latest cultural fad. An actor dressed as a bearded Bedouin and carrying a spear marched back and forth across the parapet, announcing the next show.

one case a nightclub. In Hollywood, more of the glimmer has been preserved. The well-worn Chinese remains not only a huge tourist attraction, with its forecourt of stars' footprints in concrete, but also a real first-run theater, packing in crowds for blockbusters like "Titanic." Just across the street, the venerable El Capitan was lovingly renovated by the Walt Disney Co. as a showcase for its animated spectacles.

But in general, this fertile crescent of world filmdom has been strikingly oblivious to the jewels in its midst: as the city's elite moved steadily west toward the beach and left the downtown theaters to Spanish-dubbed movies and Hollywood to teenage gangs. That is partly because Hollywood itself has always been about the latest trends, and except for perennial remakes of its old standbys, its idea of history amounts to last year's grosses.

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PEOPLE

ALCOHOL, cocaine and a prescription anti-depressant were in Brynn Hartman's system when she shot and killed her husband, the comedian Phil Hartman, and then committed suicide. Hartman, the 49-year-old star of television's "NewsRadio" and a former cast member of "Saturday Night Live," had not consumed any illegal drugs, toxicology results showed. He had taken an over-the-counter cold medicine. The reports showed that Brynn Hartman, 40, had a blood-alcohol level of .12 percent, well above the .08 percent legal limit for California drivers. The alcohol and the drugs amplified each other's effects, the authorities said. The bodies of the Hartmans were found May 28 in their suburban Los Angeles home. The police said Mrs. Hartman had shot her sleeping husband several times before shooting herself hours later.

Israel's transsexual singing sensation, Dana International, turned down an offer to join the Spice Girls to replace Geri Halliwell, the Ma'ariv newspaper in Jerusalem reported Tuesday. Dana International, the winner of this year's Eurovision song contest, received the invitation through her record company, Sony, the singer's manager, Ofer Nissim, told the newspaper. Sony also has a marketing contract with the Spice Girls, who record for Virgin Records. "We received the offer a few days after Geri Halliwell announced her decision to quit the group," Nissim said. "But for now Dana does not want to do it. We think she has great career possibilities in Europe and

don't see any reason to embark on such a change by joining a group, even one as successful as the Spice Girls."

The Rolling Stones have been widely criticized in Britain after calling off the British leg of their world tour because of a new tax law. The veteran rockers said they stood to lose £12 million (\$19.6 million) in taxes by going ahead with four British concerts in August. "If we did the U.K. shows it would have meant the entire European tour ran at a loss and we just couldn't do that. It would have been foolish," said Mick Jagger. "No sympathy for Jumping Jack Flash" said the tabloid Mirror newspaper. The Stones announced Tuesday that they were going to play in Moscow for the first time.

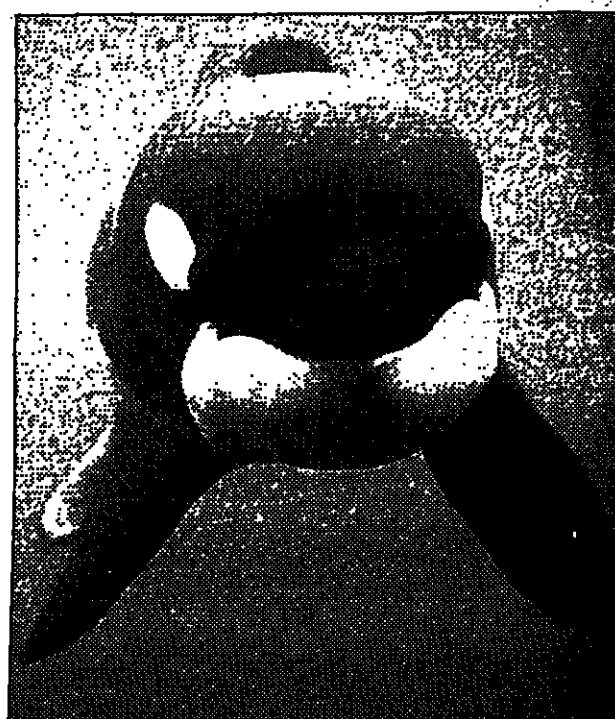
Richard Gaddes has been chosen by the board of directors of the Santa Fe Opera to succeed John Crosby as general director effective Sept. 30, 2000. Gaddes, who served as the company's artistic administrator for a decade beginning in 1969 and was a founder of the Opera Theater of St. Louis in 1976, has been associate general director of the Santa Fe Opera since 1995. Crosby, who founded the Santa Fe Opera in 1957, will continue to conduct for the company.

Queen Elizabeth II joined celebrities for a gala show celebrating the 30-year career of the producer behind such

megahits as "Cats," "Phantom of the Opera" and "Les Miserables." Accompanied by her husband, Prince Philip, the queen was entertained by extracts from shows produced in London's West End theater district by Sir Cameron Mackintosh that went on to conquer the globe, making him one of Britain's most successful theatrical producers. The star-studded cast of "Hey Mr. Producer!" performing for the queen included Julie Andrews, Judi Dench and Elaine Page, who has starred in several musicals.

Iceland is expected to become the new home for Keiko, the whale star of the movie "Free Willy" who is now in a pen at an aquarium in Newport, Oregon. A delegation from the Free Willy Keiko Foundation was to meet with Prime Minister David Oddsson, who appeared ready to offer his country as the site for the floating sea pen that would serve as a halfway house before the whale is returned to the open sea. The foundation had also scouted out Scotland and Ireland, but Iceland is the top choice because that is where the 20-year-old orca was captured at age 2.

Tom Hanks will be the recipient of the 14th annual American Museum of the Moving Image Salute next year in New York. Previous recipients include James Stewart, Sidney Poitier, Robert De Niro, Steven Spielberg, Martin Scorsese and Dustin Hoffman.



Keiko may be bound for yet another pen, in Iceland.



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Asian Stocks Recoil on Fear Of Contagion From the Yen

By Philip S. ...

HONG KONG —

Investors fell sharply on Tuesday as the Japanese yen plunged, and markets feared that China could be the first to succumb to the contagion.

Every major stock market fell by more than 1 percent, and the yen fell to a new low of 146.50 against the dollar.

The U.S. dollar rose to 146.50 against the yen late in the day. The yen fell from 146.50 to 146.00.

European markets fell, with the London FTSE 100 down 1.1 percent.

The market movement was led by the governor of the Bank of China, Dai Xianglong, who said that the depreciation of the yuan was a very negative factor in the country's economic development.

China's growing dependence on foreign capital, although he repeated 5 percent, and the yuan's value.

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